

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
January 23, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, January 23, 2003, in the Second Floor Conference Room of the Jack H. Wilson Water Treatment Plant. The building location is 338 Pleasant Valley Drive in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Ms. M. Jane Dickey, Assistant Secretary  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

Absent was:

Ms. Alma Williams, Secretary

CAW staff in attendance were:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Dale W. Russom, P.E., Chief Operating Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Connie Horn, Management Secretary  
Ms. Kathy Graves, Attorney for CAW

Also in attendance was:

Mr. Kirby Rowland, P.E., Vice President of Garver Engineers

Ms. Francille Turbyfill, Chair, called to order the January 23, 2003, meeting of the Board of Commissioners, Central Arkansas Water.

On behalf of the Board, Chair Turbyfill congratulated Mr. Jim Harvey, Chief Executive Officer, for being selected as a finalist for the "2002 Arkansas Business Executive of the Year" Award. Ms. Turbyfill stated that the Board is proud of Jim and is pleased that, by being named a finalist, his efforts have been recognized. She further stated that Mr. Harvey had been nominated by several business leaders in the Little Rock-North Little Rock area in recognition of his role in the merger between Little Rock Municipal Water Works and the North Little Rock Water Department; his guidance in leading the utility toward the major objectives of the water utilities' consolidation; and his all-inclusive approach to leadership with customers and employees.

In compliance with the CAW Public Employee Right to Know Policy (federal Occupational Safety & Health Administration - 29CFR 1910.1200), Mr. Gary Hum, Director of Source & Treatment, informed attendees of the meeting that there were hazardous chemicals stored in

the Wilson Plant. (The CAW policy also applies to non-employees, i.e., guests, visitors, and contractors.)

Chair Turbyfill called for a motion to approve the Minutes of the December 12, 2002, meeting of the Board. Upon a motion duly made by Ms. M. Jane Dickey, Assistant Secretary, and seconded by Mr. Claude B. Wilson, Commissioner, the Board approved the Minutes.

Upon a motion duly made by Mr. Craig Wood, Vice Chair, and seconded by Mr. Eddie Powell, Commissioner, the Board approved the following:

- a. An annual contract with Arkansas Utility Protection Services, Inc., (ARKUPS) for utility service locations. The contract, for \$392,408, reflects a 2.9% increase over last year's cost.
- b. A one-year extension of an annual contract with Lasiter Construction for the repair of pavement cuts resulting from repairs to services and water mains. The extension called for a 2.7% increase in bid amounts as reflected by the *Engineering News Record* (E.N.R.) Construction Cost Index.

Mr. Steve Morgan, Director of Regionalism & Future Water Source, presented a proposed 20-year contract with the Sardis Water Association Public Water Authority ("Sardis"). The contract provides that Sardis will take a minimum of 100,000 gallons of water per day and up to a maximum of 3 million gallons of water per day during off-peak hours. He also told the Board that the Sardis Board had approved this contract earlier in the week. Upon a motion duly made by Commissioner Powell and seconded by Dr. Thomas W. Rimmer, Commissioner, the Board approved the contract to supply water to Sardis.

Mr. Morgan also reported to the Board on the Mid-Arkansas Regional Water Supply Study report that was released January 17, 2003. He said the report confirms previous water studies that identify as the most feasible future-source alternative Greers Ferry Lake for areas north of the Arkansas River and Lake Ouachita for areas south of the river. Mr. Morgan stated that he believed the next step in following up on the water supply study was for the 14 study partners to determine the structure of the legal entity that would be best to carry forth the study determinations.

Mr. Morgan also provided the Board with a map showing the proposed transmission main that would cross the northern boundaries of CAW's service area and supply CAW customers, as well as the cities of Jacksonville and Cabot and the North Pulaski Waterworks Association. In response to a question by Vice Chair Wood, Mr. Morgan stated that the transmission main would be owned by CAW, but the cities and communities served would share equally in the engineering and construction costs of the transmission main and be billed monthly for their pro rata share.

Commissioner Rimmer questioned staff about the Brushy Island situation resulting in insufficient water pressure for adequate fire protection. Mr. Harvey informed the Board that even though the Brushy Island Water Users Association receives water from CAW, as a master metered account, CAW bears no responsibility for the water pressure past the master meter. Mr. Harvey further told the Board that Mr. Dale W. Russom, P.E., Chief Operating Officer, and he would be meeting with Mayor Bill Harmon of Sherwood and a representative of the association to discuss the water problems. (Brushy Island Water Users Association, located on

the east side of U.S. 67/167 near the City of Sherwood, is within the jurisdiction of the Sylvan Hills Fire Department.)

Mr. Harvey briefed the Board on the following policies:

- Workers' Compensation Insurance
- Alcohol/Drug Free Work Place Policy
- Hiring of Relatives
- Security for Booster Pumping Stations and Storage Tanks

Mr. Harvey told Commissioners he would continue to update them each month on various CAW policies.

Vice Chair Wood asked Mr. Harvey the status of the vulnerability assessment. Mr. Harvey responded that CAW has asked the U.S. Environmental Protection Agency (USEPA) for an extension on the March 31, 2003, deadline for submitting plans for the security study. He said he does not expect a problem with USEPA's granting the extension. Mr. Kirsch told the Board that work is being done to draft legislation proposing that water utility vulnerability assessments be exempt from disclosure under the Arkansas Freedom of Information Act (FOIA). Commissioner Powell questioned whether there was language under the Homeland Security Act that would allow vulnerability assessments to be kept from disclosure. Commissioner Dickey questioned whether there was federal legislation that would pre-empt state legislation. Mr. Harvey responded that the Department of Homeland Security is working on federal legislation and that many states already have passed legislation. He also stated that the American Water Works Association has offered some guidance in this respect.

Commissioner Rimmer asked about the status of CAW's backflow prevention policy. Mr. Harvey told the Board that because the Arkansas Department of Health has not acted on this issue, CAW would not be taking action with residential customers at this time.

Commissioner Powell asked when a decision would be reached on an advertising, marketing, and public relations firm to assist with the implementation of the Strategic Marketing Plan. Ms. Marie A. Crawford, Director of Communications, responded that the Review Committee would have a recommendation by the February 13, 2003, Board meeting.

At this point, Chair Turbyfill announced that the Board would convene an Executive Session. Following the Executive Session, the Board reconvened in Open Session and on behalf of the Board, Commissioner Rimmer commended Mr. Jim Harvey for an excellent job performed in the past year. He further recommended a pay adjustment of 3.5% for Mr. Harvey. Upon a motion duly made by Commissioner Rimmer and seconded by Vice Chair Wood, the motion was approved.

Chair Turbyfill reiterated that Mr. Harvey has done a great job this past year.

With there being no further business, the Board adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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M. Jane Dickey, Assistant Secretary

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Eddie Powell, Commissioner

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Thomas W. Rimmer, Commissioner

**RESOLUTION NO. 2003 - 01**

**A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO A WATER SUPPLY CONTRACT WITH THE SARDIS WATER ASSOCIATION PUBLIC WATER AUTHORITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water ("CAW") desires to sell, and the Sardis Water Association Public Water Authority ("Sardis") desires to buy, potable water; and

WHEREAS, CAW and Sardis desire to memorialize the terms and conditions of their agreement to sell and buy potable water;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER:**

Section 1. The Agreement by and between CAW and Sardis, in the form presented to this Board, for the sale of water by CAW to Sardis and other matters related thereto is hereby approved, each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized to execute such Agreement on behalf of CAW; and such approval of any amendment to the form presented to the board shall be conclusively evidenced by their execution and delivery of the same; and

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers be and hereby are authorized and directed to execute all documents, instruments and certificates required or necessary to carry out the foregoing sections of this resolution and take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

Section 3. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: January 23, 2003

ATTEST:

APPROVED:

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Assistant Secretary

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Francille Turbyfill, Chair



Minutes of a Called Meeting  
Board of Commissioners  
Central Arkansas Water

February 10, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a called meeting at 1:30 p.m. Monday, February 10, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Ms. Alma Williams, Secretary  
Ms. M. Jane Dickey, Assistant Secretary  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

Ms. Francille Turbyfill, Chair, called the meeting to order and called for the Board to meet in Executive Session.

Following the Executive Session, the Board reconvened in Open Session and stated no action would be taken at this time.

With there being no further business, the Board adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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Alma Williams, Secretary

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M. Jane Dickey, Commissioner

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Eddie Powell, Commissioner

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Thomas Rimmer, Commissioner

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Claude Wilson, Commissioner

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 13, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, February 13, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Ms. Alma Williams, Secretary  
Ms. M. Jane Dickey, Assistant Secretary  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

CAW staff in attendance were:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Dale W. Russom, P.E., Chief Operating Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Jim Ferguson, Director of Engineering  
Mr. Gary P. Pittman, Director of Finance & Customer Service  
Ms. Connie Horn, Management Secretary  
Ms. Kathy Graves, Attorney for CAW

Also in attendance was:

Mr. Jack Brashear, Vice President of Garver Engineers  
Mr. Hugh Hart Pollard, President of Brooks-Pollard Company  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor for Heathcott Associates  
Ms. Tanya Palmer, Account Executive with Heathcott Associates  
Ms. Jill Hutcherson, Vice President/Public Relations Director for Heathcott Associates  
Ms. Tanya Whitlock, Media Director for Heathcott Associates  
Mr. Scott Jordan, Interactive Media Director for Heathcott Associates  
Mr. Max Henry, Production Manager for Heathcott Associates  
Ms. Cindy Murphy, reporter for the *Arkansas Democrat Gazette*

Ms. Francille Turbyfill, Chair, called to order the February 13, 2003, meeting of the Board of Commissioners, Central Arkansas Water. She welcomed the guests and thanked them for attending the meeting.

Chair Turbyfill noted that staff made a correction in the draft of the January 23, 2003, minutes that the Board had received. She stated that the published minutes reflected a revision to the section on the contract with Sardis Water Association. Upon a motion duly made by Mr. Craig Wood, Vice Chair, and seconded by Ms. M. Jane Dickey, Assistant Secretary, the Board approved the corrected version of the minutes.

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, reminded the Commissioners that earlier in the week they had received a copy of "*State FOIA Laws: A Guide to Protecting Sensitive Water Security Information.*" He further told them that most states, including Arkansas,



have legislation pending that will address this issue. He said that CAW legal counsel, in collaboration with the Arkansas Rural Water Association, had drafted a bill for the current session of the Arkansas General Assembly.

The Board discussed the proposed Water Commission Bylaws and recommended several language revisions. Ms. Kathy Graves, Attorney of CAW, said the Wright, Lindsey & Jennings law firm would make the changes and present a revised draft at the Board's March 13, 2003, meeting.

Mr. Jim Harvey, Chief Executive Officer, reminded the Board that registration for the American Water Works Association's Annual Conference & Exposition (June 15 - 19 in Anaheim, California) has started. He told the Board that the conference provides useful information on water issues and new technology. He asked the Commissioners to let staff know as soon as possible if they will be able to attend this year's conference.

Ms. Marie A. Crawford, Director of Communications, provided the Board with an overview of program activities for 2002, as well as the recent Request for Qualifications process for the selection of an advertising and public relations firm. She said the Review Committee received seven statements and unanimously was recommending Heathcott Associates, as CAW's agency of record for 2003. Ms. Crawford then introduced Mr. Gary Heathcott, President of Heathcott Associates.

Mr. Heathcott thanked the Board for the opportunity to speak then commended the Review Committee for a thorough search for a marketing partner. Mr. Heathcott introduced the following agency team members: Ms. Jill Hutcherson, Public Relations Director; Ms. Tanya Whitlock, Media Director; Ms. Jill Joslin, Account Supervisor; and Ms. Tanya Palmer, Account Executive. First noting that he chose the agency team members to work on the CAW account because of their experience level, he then defined the objectives in working with CAW. Ms. Hutcherson and Ms. Joslin outlined the agency's plan for working with CAW.

Ms. Crawford recommended a one-year contract with the option for a one-year renewal. She said the program budget for 2003 is \$250,000. In response to questions from Dr. Thomas W. Rimmer and Mr. Eddie Powell, Commissioner, Ms. Crawford stated that the contract amount includes the budget for media purchases and said the plan is to begin media messages on peak demand management in May.

Upon a motion duly made by Commissioner Powell and seconded by Ms. Alma Williams, Secretary, the Board approved the contract with Heathcott Associates.

Upon a motion duly made by Assistant Secretary Dickey and seconded by Commissioner Rimmer, the Board approved contracts with:

- Deere Properties, L.L.C., in the amount of \$75,000 to over-size a waterline that will provide water service to the Overcup Subdivision located on Arkansas Highway 107 between Miller Road and Brockington Road in Sherwood. CAW will pay the difference in cost to over-size the 12-inch-diameter main proposed by the developer to a 16-inch-diameter water main, as per the CAW Master Plan.
- Diamond Construction in the low bid amount of \$259,818 for the relocation of waterlines on Maple Street, Melrose Circle, and Melrose Drive in North Little Rock. The waterlines in Maple Street are being relocated in preparation for construction work related to the Central Arkansas Transit Authority's River Rail Streetcar Project. The waterlines in Melrose Circle and Melrose Drive are being relocated due to the improvement of the streets and sidewalks by the City of North Little Rock.

- KAJACS Contractors, Inc., in the amount of \$709,500 for improvements at the Crystal Hill Pumping Station (No. 22), the Jack H. Wilson Water Treatment Plant, and the Interstate 430 Bridge Metering Station.
- Diamond Construction in the amount of \$3,607,523 for the installation of a transmission main consisting of approximately 3,000 linear feet (l.f.) of 48-inch-diameter ductile iron pipe; 12,100 l.f. of 36-inch-diameter ductile iron pipe; 4,050 l.f. of 16-inch-diameter ductile iron pipe; and associated appurtenances. The transmission main will extend from the Wilson Plant along Rodney Parham Road and continue west to the intersection of Pinnacle Valley Road and Arkansas Highway 10. Funds for this project are available through the 2003 Capital Investment Budget. A portion of the cost of the 48-inch-diameter line will be paid by the cities of Cabot and Jacksonville, in accordance with the agreement with the two cities.
- Mobley Contractors in the amount of \$2,130,730 for the installation of approximately 2,800 l.f. of 48-inch-diameter ductile iron pipe and 440 feet of 48-inch-diameter welded steel pipe for the Fourth Little Maumelle River raw water line crossing. Funding of this project will be through the Water Resources Reserve Fund Trust.
- Renewal of a Joint Funding Agreement between CAW and the U.S. Geological Survey (USGS) for the year 2003. The agreement is for an ongoing water quality monitoring and assessment project for CAW's two drinking water supply reservoirs, Lake Maumelle and Lake Winona. Under the cost-share agreement, CAW and USGS will share equally in the cost. CAW's share for 2003 is \$84,000.

COO Kirsch presented to the Board an appraisal of the Capitol Avenue Utilities Building located at 221 East Capitol Avenue in Little Rock. He said that while Central Arkansas Water and Little Rock Wastewater Utility (LRWU) jointly share the building, LRWU is anticipating moving its operations to a newly constructed building in 2004 and would like CAW to consider buying LRWU's portion of the office building. He said that because of the recent developments, CAW staff is recommending the postponement of the design work for renovation of the Paragon Building at 311 East Capitol Avenue.

Mr. Harvey reported to the Board on the following regionalism activities:

- The Metroplan—Council of Local Governments/Mid-Arkansas Regional Water Supply Discussion Group (Metroplan) met on February 5, 2003, and agreed to move forward in requesting that the remaining discretionary storage in Lake Ouachita and Greers Ferry Lake be dedicated to the water purveyors in this region of the state. The Saline Watershed Regional Water Distribution District formally voted to unite with the Metroplan group in a common quest. Also, Metroplan participants are preparing letters to the state's U.S. congressional delegation, asking that the U.S. Army Corps of Engineers' Fiscal Year 2003 budget include monies (\$100,000 per lake) to make the allocation studies possible.
- Central Arkansas Water is still discussing Salem Water Association's request for supplemental water. CAW staff is working on potential approaches to serve the association and the respective improvements necessary in that effort.
- CAW still is in negotiations with Mr. Ted Dillaha on a 30-acre tract of land that is adjacent to utility property on the north side of Lake Maumelle. After several months of

discussion, staff hopes to have a purchase recommendation at the Board's March 2003 meeting. The appraised valuation of the property is \$ 1,580 per acre for a total of \$47,400.

- CAW has not yet received a land-use proposal from Deltic Timber Corporation for the 794 acres located within the south side of the Lake Maumelle Watershed. Deltic is working on the proposal and soon should be submitting it to CAW staff.

Mr. Harvey also briefed the Board on the following policies:

- Funeral Leave Policy
- Military Leave Policy
- Outside Employment Policy
- Weight-Loss Program Policy
- Commercial Driver's License (CAL) Policy
- Damage Reporting Policy
- Standby Status Policy
- Steel-toe Footwear Policy

Chair Turbyfill announced that the Board would convene an Executive Session. Following the Executive Session, the Board reconvened in Open Session and Chair Turbyfill stated that no action would be taken at this time.

With there being no further business, the Board adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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Alma Williams, Secretary

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M. Jane Dickey, Assistant Secretary

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Eddie Powell, Commissioner

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Thomas W. Rimmer, Commissioner

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Claude B. Wilson, Commissioner

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 13, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, March 13, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Ms. Alma Williams, Secretary  
Ms. M. Jane Dickey, Assistant Secretary  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

CAW staff in attendance were:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Steve Morgan, Director of Regionalism & Future Water Sources  
Mr. Jerry Boon, C.P.A., Assistant Director of Finance  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW  
Mr. Walter May, Attorney for CAW

Also in attendance was:

Mr. Jack Brashear, Vice President of Garver Engineers  
Mr. Hugh Hart Pollard, President of Brooks-Pollard Company, Inc.  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor for Heathcott Associates  
Ms. Rachel Kremer, Partner with Moore Stephens Frost, C.P.A., firm  
Ms. K. J. Longley, reporter with *The Times* of North Little Rock  
Ms. Cindy Murphy, reporter for the *Arkansas Democrat Gazette*

Ms. Francille Turbyfill, Chair, called to order the March 13, 2003, meeting of the Board of Commissioners, Central Arkansas Water. She welcomed guests and thanked them for attending the meeting.

Chair Turbyfill called for a motion to approve the minutes from the February 10, 2003, called meeting. Upon a motion duly made by Ms. M. Jane Dickey, Assistant Secretary, and seconded by Mr. Craig Wood, Vice Chair, the Board approved the minutes to the February 10, 2003, called meeting.

Chair Turbyfill called for a motion to approve the minutes from the February 13, 2003, regular monthly meeting. Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Vice Chair Wood, the Board approved the minutes to the regular monthly meeting on February 13, 2003.

Chair Turbyfill called for a motion for staff to draft a resolution commending Mr. Jim Harvey, Chief Executive Officer, for being selected as 2002 Arkansas Business Executive of the Year. Upon a motion duly made by Assistant Secretary Dickey and seconded by Vice Chair Wood, the motion was approved.

Mr. Jerry Boon, C.P.A., Assistant Director of Finance, introduced Ms. Rachel Kremer, partner with Moore Stephens Frost, C.P.A. firm, which performed CAW's 2002 independent audit. Ms. Kremer said she was recommending no significant changes in accounting policies and there were no disagreements with management or difficulties encountered in performing the annual audit.

Vice Chair Wood stated that the Board has total confidence in CAW management and, after a few questions, wanted to know whether the auditors had the same confidence. Ms. Kremer stated that she believed this audit shows that the auditors do have the same level of confidence in CAW staff.

Ms. Kremer discussed changes in the accounting and auditing profession resulting from the accounting scandals that have recently occurred nationally in other businesses.

Commissioner Powell asked whether there were recommendations for policies or procedures that would assist the auditors in the future. Ms. Kremer recommended that CAW form an audit committee consisting of commissioners who are aware of accounting procedures and rules. She further offered to put together written recommendations to the Board regarding auditing procedures and policies.

Upon a motion duly made by Assistant Secretary Dickey and seconded by Commissioner Powell, the Board approved the 2002 audit report.

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, addressed the Board on a request made by Little Rock Wastewater Utility (LRWU) for CAW to purchase LRWU's share of property that is jointly owned by CAW and LRWU. He stated that staff did not have a recommendation, at this time. He also told the Board that he has talked with the City of Little Rock about possible uses of the Paragon Building at 311 East Capitol Avenue.

Chair Turbyfill opened a discussion on the revised draft Commission Bylaws. Assistant Secretary Dickey stated she was pleased with the changes made to the bylaws but voiced concern over language in the section pertaining to conflicts of interest. Upon a motion duly made by Mr. Claude B. Wilson, Commissioner, and seconded by Dr. Thomas W. Rimmer, Commissioner, the bylaws were amended to clarify that conflicts of interest pertain only to "for-profit businesses."

Commissioner Rimmer questioned the requirements of residency as stated in the bylaws draft and asked that language be added to the bylaws that would require the Commissioners to be residents of the cities they represent during their terms. Upon a motion duly made by Commissioner Rimmer and seconded by Assistant Secretary Dickey, the residency requirement was included in the bylaws.

Upon a motion duly made by Assistant Secretary Dickey and seconded by Secretary Alma Williams, the Commission Bylaws were approved as amended.

Upon a motion duly made by Commissioner Powell and seconded by Vice Chair Wood, the Board approved contracts with:

- Henley Construction, Inc., in the amount of \$1,585,575, for the installation of a 24-inch-diameter ductile iron water transmission main from the intersection of West 36th Street and Bowman Road in Little Rock (CAW Intermediate Pressure System) to a new 14-million-gallon-per-day (MGD) pumping station that will be located northwest of the Brodie Creek Subdivision (West Markham Pressure System) and continue northwest to the intersection of Kanis Road and Chenal Parkway
- Mobley Contractors, Inc., in the amount of \$973,332, for the construction of a 14-MGD pumping station located northwest of the Brodie Creek Subdivision in Little Rock
- CO-BAR Contracting, Inc., in the amount of \$415,206, for the installation of 3,190 linear feet (l.f.) of 12-inch-diameter ductile iron water main along Greer Road northwest of Sherwood and the installation of 5,260 l.f. of 8-inch-diameter water main and 2,657 l.f. of 6-inch-diameter water main in the Tanglewood Addition south of the North Little Rock Municipal Airport and the Dixie Addition in southeast North Little Rock
- Hughes Supply, in the amount of \$63,741, for the annual purchase of fire hydrants and various sized water meters from Badger Meter for \$118,561; Invensys Metering Systems for \$28,065; and Arkansas Water Products for \$75,125

Ms. Marie A. Crawford, Director of Communications, in an update on the Strategic Marketing Plan, provided an overview of the upcoming Automatic Debit Payment Program and Peak Demand Management Program campaigns. She said CAW's Automatic Debit Payment Program has a customer participation rate that is among the highest in the United States; however, the percentage has been higher in the past. She said the goal is to increase customer participation from 11% to 15%. She said the primary elements of the campaign would be a billing statement insert to all customers in April 2003 and a contest for Customer Service Representatives-Office to sign up additional customers. On peak demand management, Ms. Crawford said the utility would initiate a more aggressive program this year to level out peak demand in the summer months from the early morning to other times of the day.

Mr. Steve Morgan, Director of Regionalism & Future Water Sources, reported to the Board on the following regionalism activities:

- The Mid-Arkansas Regional Water Supply Group continues to meet in order to determine the correct legal entity required by the U.S. Army Corps of Engineers in requesting discretionary water from Lake Ouachita (near Arkadelphia) and Greers Ferry Lake (Heber Springs). This entity would also have to be flexible enough to support bond-issue requirements as the cooperative effort continues. When a more definitive plan is developed, it will be brought back to the Board and CAW legal advisors for review.
- Saline County is completing the legal paperwork to form a regional water district. The county's municipalities and water user groups still are maintaining their interest in joining the Mid-Arkansas group on the Corps project.
- The Jacksonville Water Commission approved paying the city's pro-rata cost share for the joint transmission line across the northern part of the CAW system. A similar

approval letter from the City of Cabot should be received shortly and North Pulaski Waterworks Association, in a meeting scheduled for next week, will consider participation.

- CAW engineering staff is working on several different approaches that would allow Salem Water Association to receive water from CAW.
- CAW has received an offer of acceptance from Mr. And Mrs. Theo Dilaha on an offer CAW made for a 30-acre tract of property in the Lake Maumelle Watershed.
- Deltic Timber Corporation has received the preliminary results of a development analysis the company is conducting on the 794-acre tract of land it owns within the Lake Maumelle Watershed. As soon as the analysis is complete, Deltic will submit the report for CAW's review.

Mr. Harvey asked Mr. Jim Ferguson, Director of Engineering, P.E., to update the Board on issues relating to Brushy Island Water Users Association (Brushy Island) and the Quapaw Development of North Little Rock (Quapaw).

Mr. Ferguson informed the Board that water main improvements required of Brushy Island to bring fire flow pressure and system facilities to CAW standards would cost approximately \$1 million. (Brushy Island Water Users Association has requested to become part of CAW but first must upgrade its system to meet CAW standards.) He said CAW, along with the cities of Sherwood and Jacksonville, are working to assist Brushy Island in finding a solution to the fire flow problem. Mr. Ferguson said that of the approximate \$1 million cost associated with the Brushy Island improvements, CAW has committed \$32,000 for its share of a water transmission line that will run along CAW's northern boundaries and serve the City of Jacksonville, as well as provide the potential for additional water customers; the City of Jacksonville has committed to an approximate contribution of \$255,000 for its share of the water transmission main that will run along CAW's northern boundaries and the boundaries of Brushy Island; and the City of Sherwood has committed to an approximate contribution of \$170,000 to assist Brushy Island in upgrades. He said that including an existing debt service of \$140,000, Brushy Island would be responsible for approximately \$499,000. Mr. Ferguson informed the CAW Board that the Brushy Island Board of Directors has indicated it may petition the CAW Board of Commissioners to loan the \$499,000 to Brushy Island and re-collect the cost through a surcharge to the metered accounts of Brushy Island Water Users Association customers.)

Mr. Ferguson stated that the developer of the Quapaw Development Project No. 1 of North Little Rock had a Developer Refund Agreement with the former North Little Rock Water Department (NLRWD). He said the refund agreement required the water department to collect a development cost refund surcharge from new customers hooking onto the water line installed by the developer and to refund the fee to the original developer (Quapaw). Mr. Ferguson said following the merger of Little Rock Municipal Water Works (LRMWW) and NLRWD, CAW staff signed a contract with D & B Commercial Park, Inc., for a new water line installation that included connection to the Quapaw improvements and failed to require the subsequent developer to pay a \$75,000 refund surcharge for hooking onto the existing water line. He said CAW is currently negotiating with the two developers to reach an amicable solution.

Mr. Harvey briefed the Board on the following policies:

- Claims procedures (tort immunity)

- Long-term disability benefits
- Short-term disability benefits

Mr. Harvey told the Board that during the recent snowstorm many employees arrived to work early or on-time. He further told the Board that two employees spent the night at CAW mission-critical facilities to make sure they would be on the job the next day and that one employee arrived early at the Capitol Avenue facility to remove snow so other employees would not have trouble getting into the building. He told the Board he was proud of the employees who made the extra effort during the severe weather.

Vice Chair Wood reported to the Board on the recent American Water Works Association Water Conservation Workshop that Mr. Dale W. Russom, P.E., Chief Operating Officer, and he attended recently in Fort Lauderdale, Florida. He said the workshop was a great program and he came away with a great deal of valuable information in the area of water conservation/peak demand management. He also stated that it was considered imperative by workshop attendees that utilities have a water conservation manager and he recommended the Board consider such an employment position for CAW. He also stressed that before requesting water conservation by customers, renewed emphasis should be placed on several issues: Unaccounted-for water, leak prevention, and water main replacement. Mr. Harvey commented that a significant reduction in revenue could result from improvements in the mentioned areas.

Chair Turbyfill thanked Vice Chair Wood for attending the workshop and for providing the Board with a report.

Chair Turbyfill called for the Board to convene in Executive Session. Following the Executive Session, the Board reconvened in Open Session. Assistant Secretary Dickey made a motion that Mr. Harvey's salary for 2003, retroactive to January 1, 2003, be increased over the salary of 2002 by the maximum percentage amount for exceptional employees at the utility. The motion, which was seconded by Secretary Williams, was approved.

With there being no further business, Chair Turbyfill adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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M. Jane Dickey, Assistant Secretary

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Alma Williams, Secretary

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Eddie Powell, Commissioner

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Thomas W. Rimmer, Commissioner

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Claude B. Wilson, Commissioner



Central Arkansas Water

Resolution 2003-03

WHEREAS, Mr. James Toler Harvey, Chief Executive Officer of Central Arkansas Water, recently earned the distinction of 2002 Arkansas Business Executive of the Year; and

WHEREAS, this prestigious statewide award presented by Arkansas Business Publishing Group and the business community is in recognition of the outstanding leadership that Jim has demonstrated and the success he has achieved over the past 18 months with the merger of Little Rock Municipal Water Works and the North Little Rock Water Department; and

WHEREAS, the honor is doubly noteworthy in that Jim is the first chief officer of a quasi-governmental entity to receive this distinction in the award program's 15-year history; and

WHEREAS, Jim has directed and achieved highly commendable progress toward the attainment of the primary objectives of the merger and, in the process, has helped the water utility to build unprecedented levels of inter-local cooperation and inter-governmental relations; and

WHEREAS, he has done an outstanding job of integrating and maintaining efficiencies in utility operations and human resources, while at the same time fostering a culture of teamwork, dedication, and pride among the CAW employee team, improving the level of service to customers, and maintaining the utility's record of exemplary regulatory compliance, exceptional customer service, and high system integrity and dependability; and

WHEREAS, CAW is entrusted with the vital responsibility of providing safe and dependable drinking water for more than 360,000 people in the Little Rock-North Little Rock metropolitan area; and

WHEREAS, Jim's achievement of the Arkansas Business Executive of the Year Award reflects CAW's overall commitment of service to customers and the utility's mission of being a World Class water utility.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY commend Mr. James Toler Harvey for his outstanding performance as Chief Executive Officer of Central Arkansas Water during the past year and a half and congratulate him on his selection as 2002 Arkansas Business Executive of the Year.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners and a copy be presented to Mr. Harvey.

**CERTIFICATE**

I, Alma Williams, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held on the 13th day of March 2003.

ATTEST:

APPROVED:

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Francille Turbyfill, Chair

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Craig Wood, Vice Chair

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Alma Williams, Secretary

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M. Jane Dickey, Assistant Secretary

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Eddie Powell, Commissioner

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Dr. Thomas W. Rimmer, Commissioner

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Claude B. Wilson, P.E., Commissioner



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 10, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, April 10, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

Present by telephone conference was:

Ms. Alma Williams, Secretary

Absent was:

Ms. M. Jane Dickey, Assistant Secretary

CAW staff in attendance were:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Stan Benton, Director of Distribution  
Ms. Marie A. Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Connie Horn, Management Secretary  
Ms. Kathlyn Graves, Attorney for CAW  
Mr. Tad Bohannon, Attorney for CAW  
Mr. Walter May, Attorney for CAW

Also in attendance were:

Mr. Hugh Hart Pollard, President of Brooks-Pollard Company, Inc.  
Mr. Jerry Carter, Secretary-Treasurer and Manager of Brushy Island Water Users Association  
Mr. Lee Jeffrey, President of the Board of Directors of Brushy Island Water Users Association  
Mr. Kirby Rowland, P.E., Vice President of Garver Engineers  
Mr. Dee Brown, Manager of Electrical Engineering for Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Hutcherson, Vice President/Public Relations Director for Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor for Heathcott Associates  
Ms. Beth Phelps, Staff Chair and Agent-Agriculture with the Pulaski County Cooperative Extension Service  
Ms. Cindy Murphy, reporter for the *Arkansas Democrat Gazette*

Ms. Francille Turbyfill, Chair, called to order the April 10, 2003, meeting of the Board of Commissioners, Central Arkansas Water. She welcomed guests and thanked them for attending the meeting.

Chair Turbyfill called for a motion to approve the minutes to the March 13, 2003, meeting. Upon a motion duly made by Mr. Craig Wood, Vice Chair, and seconded by Mr. Eddie Powell, Commissioner, the Board approved the minutes to the March 13, 2003, meeting.

Mr. Jerry Carter, Secretary-Treasurer and Manager of Brushy Island Water Users Association addressed the Board to request that CAW loan funds to the association for upgrades required in order to become part of the CAW system. He said he believes the association would be able to borrow funds from CAW at a lower interest rate and shorter term than from other available sources.

Commissioner Powell asked Mr. Jeffrey how that money would be paid back to CAW. Mr. Jeffrey responded that it would be paid back over a 10-year period through a surcharge added to the water bill of each customer of the association.

Commissioner Powell then asked how the surcharge would affect the rates of Brushy Island customers and whether the customers were willing to pay the surcharge. Mr. Jim Ferguson, P.E., Director of Engineering, stated that once upgrades were completed and Brushy Island Water Users Association was brought into CAW's system, the rates would drop to "outside-city rates" and the subsequent surcharge would raise the rates back up to approximately within a few dollars of what the association's customers are paying currently. Mr. Jeffrey responded that Brushy Island customers are aware of and willing to accept the surcharge in order to improve their water system and obtain adequate fire protection, which they currently do not have.

Commissioner Powell asked CAW attorneys whether CAW had the legal authority to grant a loan to Brushy Island Users Water Association. Ms. Kathlyn Graves, counsel for CAW, stated she did not believe that the enabling legislation that allowed the merger of Little Rock Municipal Water Works and the North Little Rock Water Department would allow such a loan. She said the enabling legislation allows CAW to finance and borrow money, as needed for routine operation and maintenance of the water utility, but there are no provisions for lending money to other water utilities.

Ms. Graves also questioned whether providing funds to Brushy Island for a system would set a precedent for similar requests by other water user groups.

Mr. Claude B. Wilson, P.E., Commissioner, inquired as to whether CAW is obligated to assist in order to further the objectives of regionalization of water utilities. Commissioner Wood asked Mr. Steve Morgan, Director of Regionalism & Future Water Source, his opinion. Mr. Morgan questioned the setting of precedence and the criteria for determining whom CAW would assist.

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, stated that many districts that possibly would be interested in the regionalization of water systems in Central Arkansas are very large, therefore, make a surcharge fee prohibitive. Ms. Alma Williams, Secretary, asked whether CAW may limit assistance to entities of a specific size.

Mr. Jeffrey stated that there are proposed commercial and residential opportunities that could take place in the Brushy Island area, if the needed upgrades were accomplished. He offered that such projects could provide additional customers for CAW.

Mr. Stan Benton, Director of Distribution, told the Board that CAW is adding a pressure sustaining valve that would benefit the Brushy Island water system. He said the valve automatically would open to provide higher water pressure upon demand, such as when a fire occurs.

Chair Turbyfill asked CAW staff to research options for assisting Brushy Island Water Users Association and report to the Board at the May 2003 meeting. Mr. Jeffrey and Mr. Carter thanked the Board for the opportunity to speak on the issue.

Staff presented a resolution declaring a claims procedure for damage due to ruptured water mains on behalf of CAW. Upon a motion duly made by Vice Chair Wood and seconded by Commissioner Powell, the Board approved the resolution.

Upon a motion duly made by Commissioner Powell and seconded by Vice Chair Wood, the Board approved the following contracts:

- i. a contract with Pressure Pipe Inspection Company, Inc., for \$128,300 to inspect the 48-inch-diameter raw waterline that runs from Lake Maumelle to the Jack H. Wilson Water Treatment Plant
- ii. a contract with McClelland Consulting Engineers, Inc., for \$123,050 for the engineering design of a 36-inch-diameter water transmission main that will increase water flow to the West Intermediate Pressure System (Storage Tank No. 18 - Chenal Valley)
- iii. a contract with Koontz Electric for \$379,848 to replace existing Supervisory Control and Data Acquisition (SCADA) System equipment in CAW facilities located north of the Arkansas River (The improvements would eliminate incompatibilities that currently exist with equipment at the Jack H. Wilson Water Treatment Plant.)

Ms. Marie A. Crawford, Director of Communications, updated the Board on the Automatic Debit Payment and Peak Demand Management programs. She said the Automatic Debit Payment Program Campaign kicked off April 1, with the billing statement inserts going out with the customer bills. She also said staff had completed the informational meetings for Customers Service Representatives-Office participating in the contest for new sign-ups. On peak demand management, Ms. Crawford outlined a program that would run from May through August to educate sprinkler account customers about peak demand management and effect changes in the lawn-and-garden irrigation times of the customers. She said the objective is to move automatic sprinkling from the critical period of 5:30 a.m. to 7:30 a.m. She said CAW was very fortunate to have the University of Arkansas Cooperative Extension Service as a partner in the effort.

Ms. Crawford then deferred to Ms. Jill Joslin, Ms. Jill Hutcherson, and Mr. Gary Heathcott, Vice President, Vice President, and President of Heathcott Associates, respectively, for a presentation of the public relations and media message strategies (i.e., billing statement inserts; brochures; community events; radio; network, cable, and public access television). Ms. Beth Phelps, Staff Chair and Agent-Agriculture with the Pulaski Cooperative Extension

Service, said it is a great opportunity to partner with CAW on an effort that complements the Extension Service's goals with regard to proper lawn-and-landscape care.

Upon a motion duly made by Commissioner Powell and seconded by Vice Chair Wood, the Board approved Resolution 2003-04 regarding the implementation of a Peak Demand Management Program.

Mr. Steve Morgan, Director of Regionalism & Future Water Source, reported to the Board on the following regionalism activities:

- The Mid-Arkansas Regional Water Supply Group met recently and elected a board of directors consisting of a member from each county involved and one at-large member. (Mr. Morgan distributed copies of the articles of incorporation to the CAW Board. The official name of the entity is the Mid-Arkansas Water Alliance.)
- CAW finalized the purchase from Mr. Theo Dilaha of a 30-acre-tract of land located within the Lake Maumelle watershed.

Mr. Harvey briefed the Board on the following:

- There are plans to have an independent third party to conduct a salary and staffing survey.
- Jacksonville Water Works has requested a reduction in the minimum water usage requirement (reduction from 3 million gallons per day to 1 million gallon per day for the months of October to April). The minimum requirement for Jacksonville Water Works is higher than that required for other master-metered customers due to the need to recoup the original cost incurred in 1988 for providing water to the Jacksonville area. The costs since have been recovered. Staff will study the request and provide the Board with a recommendation. Mr. Harvey commented that Jacksonville Water Works has been a ~~regional~~ good regional partner.
- Mr. Harvey said his trip to Washington, D.C., to attend the Association of Metropolitan Water Agencies Legislative Conference earlier in the month had included meetings with each of the six members of Arkansas' congressional delegation and, for the most part, the meetings had been positive.
- Mr. Harvey asked Mr. Kirsch to update the Board on providing customers with the option of credit card payments. Mr. Kirsch said the reluctance of Little Rock Wastewater Utility to share in the cost of providing the service to customers prohibits Central Arkansas Water from directly providing the service for customers. He said an alternative is to use a third-party service that allows customers to pay their water bills with a credit card. He said CAW had contracted with BillMatrix Corporation, which will charge a customer a convenience fee of \$3.95 per transaction. He said there will be no cost to CAW.
- Customers north of the Arkansas River will receive the first deposit refunds during the months of April and May. (The current billing system, Municipal & Utility Package Software, automatically issues a deposit refund credit to the accounts of customers with 12 consecutive months of on-time payments.)

- An article in the April 9, 2003, issue of the *Arkansas Democrat-Gazette* lists CAW's Lake Winona as one of 29 lakes, rivers, streams, and waterways that the State of Arkansas should add to the U.S. Environmental Protection Agency's list of "pollution impaired waters" and that possibly could need cleanup. Water quality testing on samples from the lake by the Arkansas Department of Health, private laboratories, and our in-house laboratory staff shows the mercury level below the detectable level at all phases of the water production process—from the water raw stage to the final product. The lake remains a high-quality source of raw water for our drinking water supply and poses no health concern for customers.

The Department of Environmental Quality back in 1994 discovered naturally-occurring mercury in Lake Winona. It was determined that the mercury is not soluble; therefore, it does not get into the drinking water. It stays in a solid form and remains on the bottom of the lake. A certain level of the element does get into the fish. Back in 1994, Health Department officials determined that the mercury buildup in the fish was due to bio-accumulation through the food chain.

- Updated the Board on following CAW policies:
  - Tampering with Water Facilities/Property
  - Maintenance or Damage to CAW Facilities
  - Possession of Weapons on CAW Property and Installations
  - Zero-tolerance of Violence
  - Shift Selection for Water Treatment Plant Operators
  - Holiday Schedule for Water Treatment Plant Operators

Vice Chair Wood asked whether there was new information on the Mountain Crest project. (The North Little Rock Water Department entered into a participation agreement with the developer of Mountain Crest, a residential development. The developer made an up-front payment of \$65,000, with the remainder payable when water became available to the area. Water has been available to the area for some time, but a change in the partnership of developers and lack of funds have caused delays in payment of the remainder of funds due.) Mr. Tad Bohannon, attorney for CAW, told the Board that CAW has received the legal descriptions for easements but no additional payments from the developer.

Chair Turbyfill called for the Board to convene in Executive Session. The Board reconvened in Open Session and stated no action would be taken.

With there being no further business, Chair Turbyfill adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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Alma Williams, Secretary

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Eddie Powell, Commissioner

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Thomas W. Rimmer, Commissioner

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Claude B. Wilson, Commissioner

## **RESOLUTION NO. 2003 – 02**

A RESOLUTION STATING THAT PURSUANT TO ARK. CODE ANN. §21-9-301, THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER (THE "BOARD") IS IMMUNE FROM LIABILITY AND FROM SUIT FOR DAMAGES, AND NO TORT ACTION CAN LIE AGAINST THE BOARD BECAUSE OF THE ACTS OF ITS AGENTS AND EMPLOYEES; AND

WHEREAS, pursuant to Ark. Code Ann. §21-9-302, without waiving its governmental immunity, the Board is authorized to provide for hearing and settling tort claims against it; and

WHEREAS, it is the desire of the Board to establish a procedure whereby claimants may submit certain claims to be considered by the Board;

**NOW, THEREFORE, be it resolved by the Board of Commissioners, Central Arkansas Water, that a claims procedure is hereby established for Central Arkansas Water ("CAW"), subject to the terms and conditions set forth herein:**

**Section 1.** All claims shall be limited to damages proximately caused by a break in CAW facilities resulting in the escape of water from CAW facilities. The Board shall consider only claims based on negligence and the Board shall not consider claims based on strict liability. The Board shall not consider damages for pain and suffering, lost profits or other consequential damages.

**Section 2.** Claims shall be limited to uninsured claims. The Board shall not consider subrogation claims by insurance companies, or any person other than the real party in interest. Payments for claims shall not exceed \$150,000.

**Section 3.** A claimant shall prove that the claim is uninsured by submitting affidavits satisfactory to Central Arkansas Water establishing that (1) the claimant has no insurance; (2) claimant's insurer has denied coverage; or (3) if requested by Central Arkansas Water, the claimant has exhausted all remedies against insurers.

**Section 4.** The Board shall consider no claim until the claimant has exhausted all remedies against insurers, including the claimant's insurer. A claimant shall submit in writing proof that the claimant has exhausted all remedies against insurers.

**Section 5.** All claims shall be submitted within one year after the date of the event resulting in the alleged claim, even if remedies against insurers have not been exhausted as provided in paragraph 3.

**Section 6.** A claimant shall submit the claim in writing to the Chief Executive Officer, Central Arkansas Water, Post Office Box 1789, Little Rock, Arkansas 72203.

**Section 7.** Claimants shall be entitled to a hearing which shall be conducted by the Chief Executive Officer or Chief Operating Officer of Central Arkansas Water or other person designated by the Board, at the offices of Central Arkansas Water. A claimant may appear in person if requested and be represented by an attorney. In addition to relying on his or her own technical and factual knowledge, the Executive Officer or Chief

Operating Officer hearing the claim may accept and weigh any information that will assist him or her in determining the factual basis of the claim, and in administering the provisions of this claims procedure, and shall submit his or her findings in writing to the Board. The decision of the Board regarding the claim shall be final, and shall not be appealable. A Chief Executive Officer or Chief Operating Officer or member of the Board ("Commissioner") may be disqualified for cause, and ex parte communication with any Commissioner by a claimant or any person on the claimant's behalf is prohibited, and shall be grounds for denial of a claim.

**Section 8.** If a claim is a small claim or involves an emergency situation, the Chief Executive Officer or Chief Operating Officer of Central Arkansas Water may, at his or her discretion, approve payment thereof, not to exceed \$20,000 for such damages. For purposes of this claims procedure, (1) emergency situation shall mean circumstances where the claimant, as the proximate result of the event resulting in the claim as described in paragraph 1, has incurred extraordinary expenses, whether insured or not, and (2) a small claim is one not exceeding \$20,000, whether insured or not. If damages are paid pursuant to this paragraph, the payment shall not be evidence of any responsibility or liability for payment of any other damages, and the remaining damages alleged in the claim, if any, shall be considered under the procedure set out herein.

**Section 9.** Upon, and as a condition to, payment of any damages pursuant to a claim, or payment of damages in an emergency situation, the Board shall be entitled, as its option, to (1) be subrogated to the claimant's claim against any third party, including but not limited to an insurer denying policy coverage, or (2) be assigned claimant's claim with the agreement of full cooperation by the claimant, and the right to enforce the claim in claimant's name. A claimant shall execute all documents necessary to carry out this provision upon receipt of any payment by Central Arkansas Water.

**Section 10.** Except as provided herein, the Board does not waive any privilege or immunity provided it by the laws of the United States of America, and the laws of the State of Arkansas.

**Section 11.** This Resolution shall be in effect upon its adoption and approval.

\* \* \* \* \*

CERTIFICATE

I, M. Jane Dickey, Assistant Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Assistant Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held April 10, 2003.

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Alma Williams, Secretary



**RESOLUTION 2003-04**

WHEREAS, the Board of Commissioners, Central Arkansas Water, is responsible for ensuring a safe and dependable drinking water supply for more than 360,000 people in Pulaski and Saline counties, Arkansas; and

WHEREAS, during the summer months, the utility experiences extreme stress on the pumping and pipeline delivery system due to a high demand for water for routine household, commercial, and industrial usages, as well as lawn and landscape irrigation; and

WHEREAS, certain facilities must operate at or above capacity to maintain adequate water pressure and service to customers at the varied elevations within the distribution system; and

WHEREAS, operating at or above maximum capacity results in low pressure and adversely affects service to customers; and

WHEREAS, utility staff has determined that the most extreme stress on the delivery system occurs between the hours of 5:30 a.m. and 7:30 a.m. on weekdays and is caused primarily by high irrigation demand and further has determined that the implementation of peak demand management practices and changes in customers' irrigation times would help the water utility to better control when periods of maximum usage occur; and

WHEREAS, the only alternative is the costly investment in additional facilities to handle the high demand; and

WHEREAS, the Board of Commissioners has determined that having customers avoid irrigation between the hours of 5:30 a.m. and 7:30 a.m. on weekdays and instead water between the hours of 3:30 a.m. and 5:30 a.m. would be beneficial to all customers and to the operation of the entire distribution system; and

WHEREAS, the Board of Commissioners has partnered with the University of Arkansas Cooperative Extension Service and Pulaski County Cooperative Extension Service in this effort to ensure that the alterations in watering times do not adversely affect the health of lawns and landscaped areas; and

WHEREAS, the mutual objective of the program is to educate customers on peak demand management and proper watering techniques and effect a change in current irrigation patterns.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY direct the implementation of a peak demand management program and request that sprinkler account customers voluntarily alter their watering times to eliminate the extreme stress caused on the delivery system by lawn irrigation during periods of peak demand.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners.

**CERTIFICATE**

I, Alma Williams, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held on the 10th day of April 2003.

ATTEST:

APPROVED:

\_\_\_\_\_  
Alma Williams, Secretary

\_\_\_\_\_  
Francille Turbyfill, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 8, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, May 8, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Ms. Alma Williams, Secretary  
Ms. M. Jane Dickey, Assistant Secretary  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner

Absent were:

Mr. Craig Wood, Vice Chair  
Mr. Claude B. Wilson, P.E., Commissioner

CAW staff in attendance were:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Marie A. Crawford, Director of Communications  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Gary Pittman, Director of Finance & Customer Service  
Mr. Jerry Boon, C.P.A., Assistant Director of Finance  
Ms. Deena Coston, C.P.A., Controller  
Mr. Rodney Johnson, Supervisor of Lake Winona  
Ms. Connie Horn, Management Secretary  
Ms. Kathlyn Graves, Attorney for CAW  
Mr. Tad Bohannon, Attorney for CAW

Also in attendance were:

Mr. Hugh Hart Pollard, President of Brooks-Pollard Company, Inc.  
Mr. Dee Brown, Manager of Electrical Engineering for Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Mr. Doug Wilson, Senior Vice President of Rebsamen Insurance  
Mr. Rudy Thomton, Assistant District Ranger for the Jessieville/Winona Ranger District of the U.S. Forest Service  
Mr. Bill Pell, Team Leader for Planning and Recreation on Ouachita National Forest, U.S. Forest Service  
Ms. Cindy Murphy, reporter for the *Arkansas Democrat Gazette*  
Ms. K.J. Longley, reporter for the *Times* of North Little Rock

Ms. Francille Turbyfill, Chair, called to order the May 8, 2003, meeting of the Board of Commissioners, Central Arkansas Water. She welcomed guests and thanked them for attending the meeting.

Chair Turbyfill called for a motion to approve the minutes to the April 10, 2003, meeting. Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. Alma Williams, Secretary, the Board approved the minutes to the April 10, 2003, meeting.

Mr. Dale Russom, P.E., Chief Operating Officer, addressed the Board on the request Brushy Island Water Users Association made to the Board to borrow funds from CAW to upgrade their water system to CAW standards in order to join the CAW system. (At the April meeting, after hearing from representatives of Brushy Island Water Users Association, the Board asked CAW staff to return to them with a recommendation on the request.) Mr. Russom stated that the enabling legislation under which CAW operates does not allow for financing system upgrades of other water entities. Therefore, staff recommends the Brushy Island Water Users Association apply to the Arkansas Soil and Water Conservation Commission (ASWCC) for funding. Staff has discussed this option with representatives of the Brushy Island Water Users Association and ASWCC and has been told that the funds are currently available for the system upgrades needed by the Brushy Island Water Users Association.

Mr. Russom further told the Board that by installing a pressure-sustaining valve and then using that near the Brushy Island master meter, CAW has been able to significantly increase the water pressure within the Brushy Island Water Users Association. In response to a question by Dr. Thomas W. Rimmer, Commissioner, Mr. Russom stated that this increase in pressure still leaves the Brushy Island Water Users Association system below CAW standards.

Mr. Rudy Thornton, Assistant District Ranger for the Jessieville/Winona Ranger District of the U.S. Forest Service, updated the Board on Forest Service activities within the Lake Winona Watershed. He told the Board that the partnership between CAW and the U.S. Forest Service is one of the longest in the state. He told the Board that the Forest Service is in the process of finishing an environmental assessment for management of the Lake Winona Watershed area over the next five to ten years. He stated it would be available for public disclosure within the next four to six weeks.

Mr. Thornton also told the Board that the Forest Service is acquiring from Weyerhaeuser, Inc., 3,000 acres of land, a portion of which is located within the Lake Winona Watershed.

Mr. Bill Pell, Recreation and Activities Director for the U.S. Forest Service, spoke to the Board on the U.S. Forest Service Forest Revision Plan. He told them that the plan is a long-term one that is revised periodically. He said the revised plan should be available sometime in 2004 and should have little impact on the Lake Winona Watershed area.

Mr. Powell asked Mr. Morgan whether the Forest Service is familiar with CAW's preliminary plans to run a transmission main from Lake Ouachita to Lake Winona. Mr. Morgan replied that he had planned to speak with Mr. Pell regarding that while he was at the meeting and would follow that up with a letter stating CAW's plans on acquiring additional water for the CAW service area.

Mr. Jim Harvey, Chief Executive Officer, restated that the partnership between CAW and the U.S. Forest Service has been a long-standing and valuable one.

Upon a motion duly made by Ms. M. Jane Dickey, Commissioner, and seconded by Commissioner Rimmer, the Board approved the following:

- a. A contract with Warrior of Arkansas for \$575,875 for the purchase of 17 backhoes. At the end of the contract year, Warrior of Arkansas will repurchase the backhoes for \$508,045, a difference of \$67,830.
- b. A contract with SBC for the purchase of a new telephone system for the Capitol Avenue Building and the Clearwater Operations/Maintenance Complex. The cost includes a three-year maintenance contract for each facility. The cost breakdown is as follows:
 

Capitol Avenue Building	-	\$206,318
Clearwater Complex	-	\$ 33,319
Buy-out of current SBC contract	-	\$ 23,877
- c. An increase of \$68,961 for participation in the installation of a 12-inch-diameter waterline in Sandalwood Subdivision in North Little Rock. This increase brings the total cost of the project to \$154,961.
- d. A payment of \$73,862 to Quapaw Development for the refunding of fees CAW did not collect from a third party that connected to a water main previously installed by Quapaw Development. The refund is in accordance with an agreement signed between the North Little Rock Water Department and Quapaw Development prior to the July 2001 merger.

Mr. Gary Pittman, Director of Finance & Customer Service, introduced Ms. Deena Coston, Controller, to the Board. Mr. Pittman told the Board that Ms. Coston, who recently joined CAW, is a certified public accountant.

Mr. Pittman updated the Board on a possible insurance carrier change; year-to-date CAW financial conditions; the balance and status of restricted funds; and rates. He told the Board that staff would make a recommendation at the next meeting regarding the possible change in insurance carrier.

Mr. Pittman reminded the Board that the Consolidation Agreement calls for equalized rates between the cities of Little Rock and North Little Rock by July 1, 2011. He told the Board that CAW has plans in effect to equalize those rates by January 2008.

Mr. Harvey told the Board that he and CAW staff had worked closely with Senator Dave Bisbee and Representative Sam Ledbetter on the impact fee bill that was recently introduced in the Arkansas General Assembly. He said that Senator Bisbee and Representative Ledbetter were easy to work with on this bill and he is very pleased with the final legislation.

Ms. Kathy Graves, counsel for CAW, said that because of the new impact fee legislation, Act 1719 of 2003, CAW's impact fee resolution would need to be revised. A resolution to bring CAW's impact fees into compliance with the impact fee legislation will be presented to the Board at a future Board Meeting.

Mr. Steve Morgan, Director of Regionalism & Future Water Source, reported to the Board on the following regionalism activities:

- Mr. Morgan told the Board that the Mid-Arkansas Water Alliance is a temporary entity created to lay the groundwork for a more permanent one that should be in place sometime in 2004. He further told the Board that the Mid-Arkansas Water Alliance

would have a joint meeting with the Saline Watershed Regional Water Distribution District next week.

- North Pulaski Water Association (NPWA) is developing a hydraulic analysis of their water system. We have had no recent discussions with NPWA.
- Salem Water Users Association invited Mr. Morgan to attend a meeting to discuss forming a water improvement district.

Mr. Harvey briefed the Board on the following:

- CAW's self-insured certification was approved for another year and received a grade of 100 per cent from the Arkansas Workers' Compensation Commission.
- CAW policies:
  - Observance of Holidays
  - Paid Time Off (PTO) – maximum accumulation increased from 280 to 300 hours
  - Conservation of Water
  - Water Pressure
  - Interruption of Service
- On May 4 - 6, 2003, Mr. Harvey attended a Washington, D.C., Congressional Salute sponsored by the Arkansas Chamber of Commerce Executives. Mr. Harvey said that while he was there he had very productive meetings with Arkansas' congressional delegates.

Mr. Harvey asked Ms. Marie A. Crawford, Director of Communications, to update the Board on the Automatic Debit Payment Program and the peak demand management program. Ms. Crawford told the Board that in April 2002, 214 customers signed up for the automatic draft program. In April 2003, 931 customers signed up for the program, as a result of a customer mailing and a contest among Customer Service Representatives-Office.

Ms. Crawford told the Board that the first public relations event related to the peak demand management program was May 3, 2003, at the Chenal Parkway branch of Delta Trust & Bank. She said CAW employees talked with customers and handed out peak demand management information.

Ms. Crawford also reported to the Board that the *2002 Annual Water Quality Report* would be ready for mailing to customers by mid-June, which would be well ahead of the federal deadline of July 1.

Mr. Harvey asked Mr. Russom to update the Board on the work being done on the new intake at Lake Maumelle.

Mr. Russom showed to the Board pictures of work being done at Lake Maumelle. This project was started in 2002 and had a bid amount of \$6.7 million. Mr. Kirsch told the Board that because of soil conditions involved in the placement of supporting piers, the Board will be asked at a future meeting to approve a change order, increasing the total cost of the project.

Ms. Dickey asked to confirm the date of the July Board meeting. Due to scheduling conflicts, the July Board meeting will be held on July 24, 2003.

Chair Turbyfill called for the Board to convene in Executive Session. The Board reconvened in Open Session and stated no action would be taken.

With there being no further business, Chair Turbyfill adjourned the meeting.

ATTEST:

APPROVED:

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Alma Williams, Secretary

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Francille Turbyfill, Chair

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M. Jane Dickey, Assistant Secretary

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Eddie Powell, Commissioner

\_\_\_\_\_  
Thomas W. Rimmer, Commissioner

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
June 12, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, June 12, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Ms. Francille Turbyfill, Chair  
Mr. Craig Wood, Vice Chair  
Mr. Eddie Powell, Commissioner  
Dr. Thomas W. Rimmer, Commissioner  
Mr. Claude B. Wilson, P.E., Commissioner

Present by telephone conference was:

Ms. Alma Williams, Secretary

CAW staff in attendance was:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Marie A. Crawford, Director of Communications  
Mr. Gary Pittman, Director of Finance & Customer Service  
Ms. Connie Horn, Management Secretary  
Ms. Kathryn Graves, Attorney for CAW

Also in attendance were:

Mr. Dee Brown, Manager of Electrical Engineering for Garver Engineers  
Mr. Doug Wilson, Senior Vice President of Rebsamen Insurance  
Ms. Zoie Clift, reporter for *The Times* of North Little Rock  
Ms. Jill Joslin, Vice President of Heathcott Associates

Ms. Francille Turbyfill, Chair, called to order the June 12, 2003, meeting of the Board of Commissioners. She welcomed guests and thanked them for attending the meeting.

Chair Turbyfill called for a motion to approve the minutes to the May 8, 2003, meeting. Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Craig Wood, Vice Chair, the Board approved the minutes.

Mr. Gary Pittman, Director of Finance & Customer Service, introduced Mr. Doug Wilson, Senior Vice President of Rebsamen Insurance, to address problems with CAW's current insurance carrier, Kemper Insurance. Mr. Pittman reminded the Board that the A.M. Best Corporation, the leading rating service for insurance companies, had downgraded Kemper Insurance's rating in May 2003 from an A-14 to C++14. He further told the Board that just two days ago Best had lowered Kemper's rating to a D12, which is a rating assigned to companies that may not have the ability to meet policyholder obligations.

Vice Chair Wood asked whether the downgrade was the result of claims or investment performance. Mr. Wilson replied that adverse loss history and the terrorist attacks of September 11, 2001, have caused problems for many insurance companies nationwide.

Mr. Pittman told the Board that staff is recommending new insurance coverage with three separate companies: Travelers Property & Casualty Group, Lloyds of London, and Burlington Insurance Company.

If approved, the new coverage, with a premium of \$333,796, would take effect immediately. He said that although the premium is higher than the current policy premium of \$245,000, it includes terrorism and earthquake coverage, both of which were not available with the policy under Kemper Insurance.

Upon a motion duly made by Vice Chair Wood and seconded by Commissioner Powell, the Board approved cancellation of the insurance policy with Kemper Insurance and approved a new policy with Travelers Property & Casualty Group, Lloyds of London, and Burlington Insurance Company.

Mr. Jim Harvey, Chief Executive Officer, told the Board that staff was distributing for the Board's review copies of a draft resolution to amend CAW's Resolution 2002-03 and Resolution 2002-04 (System Development Charges and Capital Investment Charges). He said the purpose of the resolution is to bring CAW into compliance with new impact fee legislation, Act 1719 of the Arkansas General Assembly of 2003. He further stated that the amended resolution would need to go to public hearing before the Board takes action.

The next item on the agenda was the re-appointment of Chair Turbyfill to the Board. (Ms. Turbyfill drew for a two-year term on the Board in July 2001. Her term expires June 30, 2003.) Mr. Claude B. Wilson, Commissioner, nominated Chair Turbyfill for a full seven-year term. By unanimous vote, the Board appointed Chair Turbyfill to a seven-year term to expire June 30, 2010. (The appointment requires confirmation by the Little Rock Board of Directors and North Little Rock City Council.)

With the terms of Board officers also due to expire June 30, 2003, Board members elected the following officers for 2003-2004:

Vice Chair Craig Wood - Chair  
Commissioner Claude B. Wilson - Vice Chair  
Commissioner Thomas W. Rimmer - Secretary/Treasurer

Mr. Harvey outlined for the Board two options CAW has for securing water across the Arkansas River to ensure anticipated future water demands:

- In the past, CAW staff has been under the impression that the Interstate 430 Arkansas River Bridge would not support another water transmission main. CAW has received a verbal indication from the Arkansas Highway and Transportation Department (AHTD) that the bridge probably could accommodate another transmission main. Therefore, CAW will perform a structural analysis of the bridge. If the analysis confirms the bridge will support the pipeline, CAW will ask the AHTD to approve construction of a water main across the Interstate 430 bridge.



- On several occasions, Mr. Harvey has met with Pulaski County Judge Floyd G. “Buddy” Villines regarding the placement of a water transmission main on the proposed pedestrian bridge that the county plans to build across the Arkansas River at Murray Lock and Dam. In their last meeting, Judge Villines told Mr. Harvey that the cost to provide the space for a large water main, in conjunction with Little Rock Wastewater Utility’s (LRWU) participation with the construction of a sewer main, would be \$700,000. If LRWU chooses not to utilize space for a wastewater line, CAW could obtain space for two water mains under the bridge for \$1 million.

Mr. Harvey said staff believes securing the right to build the transmission main across the pedestrian bridge would be a wise investment to ensure that CAW has another space for a future pipeline across the river. He said it is anticipated that, as the water system expands, CAW will need another river crossing.

In response to a question by Commissioner Powell, Mr. Dale Russom, Chief Operating Officer, told the Board that the funds to secure space for a water main on the proposed pedestrian bridge would come from the 2002 bond issue. He said the expenditure would be in the 2004 Financial Plan.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Wilson, the Board approved payment for space for a future water main on the proposed pedestrian bridge across the Arkansas River at Murray Lock and Dam.

The Board approved the following contracts/agreements:

- i. a contract with Arkansas Water Products for \$136,140 for the purchase of 6,000 5/8-inch-diameter water meters
- ii. a contract with Camp Dresser & McKee, Inc., for \$187,325 for the review and preliminary design for various chemical modifications at the Jack H. Wilson Water Treatment Plant and the Ozark Point Water Treatment Plant
- iii. a contract with Arrow Plumbing, Inc., for \$37,000 for the re-location of customer service lines from the rear of residences to the front of residences on Edgewood Road in Little Rock
- iv. a request from Mrs. Mildred Martin, who owns property at 1723 East Dixon Road in southeast Pulaski County, for a Private Service Line Agreement with CAW
- v. a request from Entergy Arkansas, Inc., for an easement on the north side of Arkansas Highway 10 approximately 1,000-feet in length. Entergy will compensate CAW \$1,000 for the easement, which the electric company needs to serve the Alotian Golf Club.

Mr. Steve Morgan, Director of Regionalism & Future Water Source, presented to the Board a draft resolution authorizing CAW to become a member of the Mid-Arkansas Water Alliance (MAWA). (MAWA is the recently-formed organization of municipalities and water user groups that are working together to secure a future water source for the mid-Arkansas region).

Upon a motion duly made by Vice Chair Wood and seconded by Commissioner Powell, the Board authorized CAW to join MAWA. (The membership fee is \$500.)

Mr. Harvey asked Ms. Marie A. Crawford, Director of Communications, to update the Board on the Automatic Debit Payment Program Campaign. Vice Chair Wood said he was overwhelmed by the results of more than 2,000 new customer sign-ups. He offered his compliments to the

Customer Service-Office Section, Mr. Pittman, Ms. Crawford, and Heathcott Associates, CAW's advertising and public relations agency, all of who worked diligently to achieve the results.

Noting that CAW is well ahead of the July 1, 2003, deadline, Ms. Crawford said the mailing of the *2002 Annual Water Quality Report* had begun and Commercial Mail Service, Inc., would complete the project the week of June 15. In an update on the Peak Demand Management Program, Ms. Crawford gave the Board an advance viewing of three public service announcements (PSAs) and a paid commercial. She said the PSAs would begin broadcasting within the next week and a half and the paid commercial would begin in July. Commissioner Powell commented that the media messages were very good.

Mr. Harvey briefed the Board on the following:

- payment assistance options for low-income customers
- water main extensions and required standards
- water main break repairs
- monthly departmental reports to the Board
- planned Commission retreat on July 26, 2003

CAW policies:

- Grievance Policy
- Discipline Policy
- Tobacco Cessation, Weight Reduction, and Tuition Reimbursement programs

Commissioner Rimmer asked whether staff could provide data on the success of the above reimbursement programs. Mr. Harvey replied that staff would get that information together for the Board.

Mr. Harvey told the Board that the *Arkansas Democrat-Gazette* would publish an article in the June 13, 2003, issue about the water quality of Lake Winona. He said the article would include information on the natural occurrence of mercury in the water, testing of the water by independent laboratories, and the safety of the water. Mr. Harvey also told the Board that Mr. Bruno Kirsch, Chief Operating Officer, and he will be traveling to Dallas, Texas, on June 25 to meet with representatives of the U.S. Environmental Protection Agency (USEPA) to discuss the recent report noting the occurrence of mercury in Lake Winona.

Mr. Harvey reminded the Board that Mr. Kirsch and he will the American Water Works Annual Conference and Exposition in Anaheim, California, the week of June 15.

With there being no further business, Chair Turbyfill adjourned the meeting.

ATTEST:

APPROVED:

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Craig Wood, Vice Chair

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Francille Turbyfill, Chair

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Eddie Powell, Commissioner

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Thomas W. Rimmer, Commissioner

**Resolution 2003-05**

WHEREAS, the Board of Commissioners, Central Arkansas Water (CAW), is responsible for ensuring a safe, dependable, and adequate supply of drinking water for more than 360,000 people in Pulaski and Saline counties, Arkansas; and

WHEREAS, it has been determined that CAW will need an additional source to supplement the supply in Lake Maumelle and Lake Winona by the year 2015; and

WHEREAS, the Board has determined that it is in the best interest of CAW customers to seek additional surface water resources for long-term domestic and municipal use; and

WHEREAS, working in partnership with other entities in the Mid-Arkansas region for the mutual benefit and common good of the region is the most effective and economical approach to achieving the future-source goals of CAW; and

WHEREAS, area municipalities and water user groups have organized and incorporated the Mid-Arkansas Water Alliance for the purpose of jointly requesting allocations from existing reservoirs.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY authorize CAW to become a member of the Mid-Arkansas Water Alliance.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners.

**CERTIFICATE**

I, Alma Williams, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at it regular meeting held June 12, 2003.

ATTEST:

APPROVED:

\_\_\_\_\_  
Alma Williams, Secretary

\_\_\_\_\_  
Francille Turbyfill, Chair

**RESOLUTION 2003-06**

A RESOLUTION APPOINTING MS. FRANCILLE TURBYFILL TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Francille Turbyfill, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2003; and

WHEREAS, by law it is the duty of the remaining commissioners to nominate and appoint a commissioner when a vacancy occurs on the CAW Board, subject to approval by the Board of Directors of the City of Little Rock, Arkansas, and the City Council of the City of North Little Rock, Arkansas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby appoint Ms. Turbyfill to a seven-year term, subject to approval by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that her term of office will be July 1, 2003, through June 30, 2010.

BE IT FURTHER RESOLVED THAT the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock be requested to approve this appointment.

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**CERTIFICATE**

I, Alma Williams, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held June 12, 2003.

\_\_\_\_\_  
Alma Williams, Secretary

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 24, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, July 24, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Mr. Craig Wood, Chair  
Mr. Claude B. Wilson, P.E., Vice Chair  
Dr. Thomas W. Rimmer, Secretary  
Mr. Eddie Powell, Commissioner  
Ms. Francille Turbyfill, Commissioner  
Mr. Eddie Powell, Commissioner

Present by telephone conference was:

Ms. Alma Williams, Commissioner

CAW staff in attendance was:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Marie A. Crawford, Director of Communications  
Mr. Gary Pittman, Director of Finance & Customer Service  
Mr. Gerald Boon, Assistant Director of Finance  
Mr. Dennis Yarbrow, Supervisor of Water Sources  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW

Also in attendance were:

Mr. Allen M. Mullins, C.P.A., Project Manager with Carter-Burgess, Inc.  
Mr. Dee Brown, Manager of Electrical Engineering for Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor with Heathcott Associates  
Dr. Barry Wingfield, Executive Director of River City Ministry in North Little Rock  
Dr. Hezekiah Stewart, Executive Director of Watershed Human and Community Development Agency  
Ms. K.J. Longley, reporter for *The Times* of North Little Rock

Mr. Craig Wood, Chair, called to order the July 24, 2003, meeting of the Board of Commissioners.

Chair Wood presented to Ms. Francille Turbyfill a plaque in recognition of her outstanding service as 2002-2003 Chair of the Board of Commissioners.

Chair Wood called for a motion to approve the minutes to the June 12, 2003, meeting. Upon a motion duly made by Ms. M. Jane Dickey, Commissioner, and seconded by Commissioner Turbyfill, the Board approved the minutes.

Upon a motion duly made by Commissioner Dickey and seconded by Commissioner Turbyfill, the Board approved permanently dispensing with the signing of the monthly meeting minutes. Dr. Thomas W. Rimmer, Secretary, voted against the motion.

Mr. Jim Harvey, Chief Executive Officer, welcomed guests to the meeting.

Mr. Harvey reminded the Board that the Task Group on System Development Charges had recommended the establishment of a program to assist customers in need of occasional help with paying their water bills. Mr. Harvey said CAW has been working toward that goal by researching different options. He said one option is a check-off box on the monthly billing statement that would allow customers to donate to a customer assistance fund. He further stated that Systems and Software, Inc., CAW's vendor for the Municipal & Utility Package Software (MUPS) billing system, has indicated the company can add the check-off option at a cost of approximately \$60,000. He said another option would be to include coupons in the monthly billing statement mailing. He said that with this option, advertising revenue from the coupons would go into a customer assistance fund.

Dr. Barry Wingfield, Executive Director of River City Ministry in North Little Rock, addressed the Board on the community need to help people obtain basic needs, such as water, electricity, and heating. He said families on a daily basis seek assistance with their utility bills.

In response to Chair Wood's question regarding the annual amount of CAW's water bill write-offs, Mr. Gerald Boon, Assistant Director of Finance, said the utility annually writes off approximately \$275,000 in delinquent accounts. Mr. Harvey told the Board that CAW would benefit from a customer assistance fund because the funds could help to reduce the amount write-offs.

Dr. Hezekiah Stewart, Executive Director of Watershed Human and Community Development Agency in College Station, commended the Board for considering the needs of individuals and families that various support agencies, such as Watershed, serve.

Commissioner Dickey expressed concern that the fund would go toward the payment of solid waste and sewer portions of the monthly bill. She stated that a partnership with the other Utility Billing Services partners would be the fair approach. Mr. Harvey told the Board that staff would talk with the billing partners and prepare a recommendation.

Chair Wood thanked Dr. Stewart and Dr. Wingfield for attending the Board meeting and for the assistance they provide to people in financially-stressed situations.

Mr. Harvey introduced Mr. Allen M. Mullins, C.P.A., Project Manager with Carter-Burgess, Inc. He told the Board that Mr. Mullins was present to answer questions the Board may have regarding the water rate study that utility staff has under way, with the assistance of Carter-Burgess. Mr. Gary Pittman, Director of Finance & Customer Service, provided the Board with an update on the status of the water rate study. He said staff would present a proposed rate schedule resolution to the Board at the next meeting.

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, presented to the Board a resolution designating Lake Wardens to enforce the rules and regulations at Lake Maumelle and Lake Winona. Upon a motion duly made by Commissioner Turbyfill and Mr. Claude Wilson, Vice Chair, the Board approved the resolution, which designates certain CAW lake personnel as law enforcement wardens.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Commissioner Rimmer, the Board approved the following contracts:

- i. McQuay Construction, Inc., for \$468,759 for the replacement of approximately 11,000 linear feet (l.f.) of 2-inch-diameter galvanized pipe with 650 l.f. of 8-inch-diameter ductile iron pipe, 10,200 l.f. of 2-inch-diameter polyvinyl chloride (PVC) pipe, and one public fire hydrant in the area south of Interstate 630 and east of University Avenue in Little Rock
- ii. Diamond Construction Company for \$299,860 for the installation of approximately 1,700 l.f. of 12-inch-diameter and 5,100 l.f. of 16-inch-diameter ductile iron pipe from Maryland Avenue to Sylvan Hills High School (The water main installations will be along Sherwood Forest Road, Dee Jay Hudson Drive, and Bear Paw/School Drive.)
- iii. Marlar Engineering Company, Inc., for \$48,804 for a professional service contract for the construction inspection of approximately 15,000 l.f. of 24-inch-diameter ductile iron pipeline along Brodie Creek (The pipeline installation is in the area of Bowman Road and 36th Street and extends to Kanis Road and Chenal Parkway in Little Rock.)
- iv. Gerald E. Prince Construction, Inc., for \$87,717 for the renovation of the Supervisor's House at Lake Maumelle. (Planned renovations include replacing the existing electrical system and some of the windows because the electrical system and building do not meet current codes. In addition, improvements will encompass the relocation of the kitchen and utility room, replacement of the flat roof on the carport, and enclosure of the carport.)

Mr. Harvey briefed the Board on the following:

- CAW received a "Special Achievement in GIS (Geographical Information Systems)" award from ESRI (Environmental Systems Research Institute, Inc.). CAW was selected to receive this prize among 100,000 user sites worldwide.
- A meeting on July 2, 2003, in Dallas, Texas, with U.S. Environmental Protection Agency, Region 6, officials regarding CAW's concern about the designation of Lake Winona as a "pollution-impaired" water. Mr. Kirsch said, in consideration of water quality testing results, the federal agency will remove the lake from the list in 2004.
- The status of backflow prevention/cross-connection control requirements for residential sprinkler systems. He said CAW would continue to suspend the state's annual testing requirement until the Arkansas State Board of Health provides direction.
- Utility staff is continuing to monitor peak demand usage times and the effect of the customer information program encouraging customers to avoid lawn irrigation between the hours of 5:30 a.m. to 7:30 a.m. on weekday mornings.
- CAW and the cities of Little Rock and North Little Rock will be promoting construction zone safety for employees with billboard advertising. He noted that the billboard space

is available because of “bonus/free” space that CAW is receiving along with paid advertising for the peak demand management program.

- The upgrade of the telephone system for the Capitol Avenue Building
- CAW employees donated 1,004 boxes to the 2003 Summer Cereal Drive sponsored by the Arkansas FOODBANK Network and KTHV-TV, Channel 11. The donations, made possible through the personal funds of employees, go to summer programs that serve children from low-income families.
- Utilization statistics on employee reimbursement programs (college/technical school tuition, weight loss, tobacco cessation, etc.)
- CAW policies:
  - Jury duty
  - Employee Assistance Program (drug/alcohol abuse rehabilitation)

Mr. Harvey asked Ms. Marie A. Crawford, Director of Communications, to update the Board on the 2003 Customer Opinion Survey. Ms. Crawford said the Board would be pleased with the ratings that customers gave the utility and employees, with regard to customer service, water quality, and other aspects of service. She said staff would be providing a summary to the Board.

With there being no further business, Chair Wood adjourned the meeting.



**RESOLUTION 2003-07**

A RESOLUTUION TO DESIGNATE LAKE WARDENS FOR CENTRAL  
ARKANSAS WATER; AND FOR OTHER PURPOSES

WHEREAS, the City of Little Rock and the City of North Little Rock have created Central Arkansas Water as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> Arkansas General Assembly, codified at Arkansas Code Annotated §§ 25-20-301 et seq (the "Act"), and have consolidated the ownership and operation of their municipal water utilities in Central Arkansas Water; and

WHEREAS, Arkansas Code Annotated § 25-20-315 of Act 982 states that any public body created under the Act shall have the same powers as a municipally owned waterworks system to use its properties for recreational purposes, subject to any restrictions applying to a municipally owned system, as set forth in Title 14, Chapter 234, Subchapter 4 of Arkansas Code Annotated; and

WHEREAS, The Board of Commissioners, Central Arkansas Water, created under the Act, is the "operating authority" for Lake Maumelle and Lake Winona in accordance with Title 14, Chapter 234, Subchapter 4; and

WHEREAS, Arkansas Code Annotated § 14-234-407 allows the "operating authority" to designate employees of the utility as wardens to enforce the rules and regulations of the operating authority (the "Rules and Regulations").

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Dennis Yarbrow, Supervisor of Water Sources; Rodney Johnson, Supervisor, Lake Winona; Billy Zulpo, Ranger; and Richard Hennings, Ranger are designated as "wardens" for Lake Maumelle and Lake Winona and have the authority to enforce the rules and regulations.

**CERTIFICATE**

I, Thomas W. Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners as its regular meeting held July 24, 2003.

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Secretary

No meeting was held in August

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 4, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, September 4, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Mr. Craig Wood, Chair  
Mr. Claude B. Wilson, P.E., Vice Chair  
Dr. Thomas W. Rimmer, Secretary  
Ms. M. Jane Dickey, Commissioner  
Mr. Eddie Powell, Commissioner  
Ms. Francille Turbyfill, Commissioner

Present by telephone conference was:

Ms. Alma Williams, Commissioner

CAW staff in attendance was:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Ms. Marie A. Crawford, Director of Communications  
Mr. Jim Ferguson, Director of Engineering  
Mr. Allen Vincent, Director of Information Services  
Mr. Dennis Yarbrow, Supervisor of Water Sources  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Jerry Boon, C.P.A., Assistant Director of Finance  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings  
Ms. Kathy Graves, Attorney for CAW with Wright, Lindsey & Jennings  
Mr. Mark Davis, Attorney for CAW with Wright, Lindsey & Jennings

Also in attendance were:

Mr. Kenneth E. Martin, P.E., Senior Management Consultant with Black & Veatch Corporation  
Mr. Allen M. Mullins, C.P.A., Project Manager with Carter-Burgess, Inc.  
Mr. Kirby Rowland, P.E., Vice President of Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Mr. Roger Nesuda, Lessee of Jolly Roger's Marina  
Ms. Jill Joslin, Vice President/Account Supervisor with Heathcott Associates  
Ms. Cindy Murphy, Reporter for the *Arkansas Democrat-Gazette*  
Ms. Cara Carter, Reporter with the *Cabot Star Herald*  
Ms. K.J. Longley, reporter for *The Times* of North Little Rock

Mr. Craig Wood, Chair, called to order the September 4, 2003, meeting of the Board of Commissioners.

Chair Wood called for a motion to approve the minutes to the July 24, 2003, meeting. Upon a motion duly made by Mr. Claude B. Wilson, Vice Chair, and seconded by Mr. Eddie Powell, Commissioner, the Board approved the minutes.

Mr. Jim Harvey, Chief Executive Officer, welcomed guests to the meeting.

Mr. Harvey told the Board that only representatives of CAW and the news media attended the September 2, 2003, public hearing on the new rate schedule for the years 2004 and 2005; however, Mr. Bruno Kirsch, P.E., Chief Operating Officer, and Mr. Gary Pittman, Chief Financial Officer, made a very good presentation on the new rate schedule.

Mr. Kirsch told the Board that staff was recommending approval of the rate resolution and, with the Board's approval, would submit the proposed rate schedule for review by the Little Rock Board of Directors and North Little Rock City Council. Mr. Kirsch then asked Mr. Pittman to address the Board on the proposed rate adjustments.

Mr. Pittman's slide presentation included an explanation of the rate methodology, an overview of the new schedule, and an impact analysis. He noted that the impact analysis reflected adjustments for the average customer in each class and that high-volume users in certain classes, such as the sprinkler class, would see a substantially higher percentage increase due to the elimination of the declining block structure.

Upon a motion duly made by Commissioner Powell and seconded by Dr. Thomas W. Rimmer, Secretary, the Board approved the rate resolution.

Chair Wood commended Mr. Pittman for a good job on the resolution and proposed rate schedule.

Mr. Harvey told the Board that the commissions of Little Rock Municipal Water Works (LRMWW) and the North Little Rock Water Department (NLRWD) each had approved a resolution that provided for the transfer of the respective trust funds to the bond trustee for CAW. He said CAW staff was recommending approval of a resolution accepting the transfer of the funds.

In reviewing CAW's proposed Series 2003 Supplemental Trust Indenture, Ms. M. Jane Dickey, Commissioner, suggested language revisions. Upon a motion duly made by Commissioner Dickey and seconded by Ms. Alma Williams, Commissioner, the Board approved the changes. Further, upon a motion duly made by Commissioner Dickey and seconded by Commissioner Rimmer, the Board approved the resolution.

Mr. Kirsch addressed the Board on a resolution to re-affirm the Little Rock Water Commission's previous Lake Maumelle Watershed Protection Plan. The resolution divides the lake into two Zones. In Zone 1, the plan is for CAW to purchase all undeveloped property within the watershed, with the exception of property in Section 1, T3N, R15W. In Zone 2, the plan is for CAW to control a 300-foot buffer around critical streams that feed into Lake Maumelle.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Rimmer, the Board approved the resolution.

Mr. Harvey presented a resolution for the return of property located below the Lake Maumelle Dam to CAW. Mr. Harvey explained that in 1998, the Little Rock Water Commission had

declared the property surplus and donated it to the City of Little Rock for recreational use. Because the city never changed the deed of title to reflect the change in ownership and the property recently has been deemed as vital to the security of Lake Maumelle, CAW has asked the city for the return of the property in exchange for CAW's forgiveness of The River Market building water bill for which the city is responsible.

Upon a motion duly made by Commissioner Rimmer and seconded by Commissioner Dickey, the Board approved the resolution.

Mr. Allen Vincent, Director of Information Services, made a presentation to the Board on an updated web site that CAW employees, with the assistance of Heathcott Associates, are creating.

Mr. Kirsch reported to the Board that Mr. Roger Nesuda, lessee of Jolly Roger's Marina on Lake Maumelle, has asked for an increase in marina fees. Mr. Kirsch told the Board that the existing fees were established January 1, 2000. Prior to January 1, 2000, rates were established in 1996. Mr. Kirsch explained that the fee schedule presented by Mr. Nesuda was for maximum fees to be charged. He further stated that the fees are in line with area marinas.

Upon a motion duly made by Ms. Francille Turbyfill, Commissioner, and seconded by Commissioner Rimmer, the Board approved the new fee schedule.

Mr. Jim Ferguson, Director of Engineering, reported to the Board on the various contracts that staff had presented for approval. Upon a motion duly made and seconded, the Board approved the following contracts:

- i. Building & Utility Contractors, Inc., in the amount of \$346,845 for the relocation of various water lines in the area of Fair Park Boulevard and West 12th Street to accommodate sidewalk improvements by the City of Little Rock
- ii. Kajacs Construction, Inc., for the installation of approximately 19,830 linear feet (l.f.) of 2-inch-diameter through 24-inch-diameter polyvinyl chloride (PVC) pipe and ductile iron pipe within the Brushy Island Water Users Association district
- iii. CAW's participation in the amount of \$651,584 for the upsizing of approximately 62,500 linear feet of water mains within the West Kanis Water Improvement District #349 of Pulaski County
- iv. Lasiter Construction in the amount of \$98,721 for 1,119 linear feet of emergency pavement repairs to John F. Kennedy Boulevard in North Little Rock
- v. Building & Utility Contractors, Inc., in the amount of \$2,127,450 for the installation of approximately 16,000 linear feet of 42-inch-diameter ductile iron pipe extending from the Jack H. Wilson Water Treatment Plant along Rodney Parham Road and across the Arkansas River to the Interstate 430 River Bridge Metering Station
- vi. Garver Engineers in the amount of \$235,000 for design and construction inspection for the North Belt Transmission Pipeline extending across the Interstate 430-Arkansas River Bridge

- vii. Carter-Burgess, Inc., in an amount not to exceed \$50,000 for hydraulic modeling of the CAW service area to complete the Hydraulic Master Plan

Mr. Steve Morgan, Director of Regionalism & Future Water Source, updated the Board on the following regionalism activities:

- The Mid-Arkansas Water Authority (MAWA) has sent a letter to the U.S. Army Corps of Engineers requesting discretionary water storage from Greers Ferry Lake and Lake Ouachita.
- Cleburne County, where Community Water System is located, has become a member of MAWA.
- The Corps of Engineers expects to complete the discretionary storage study on Greers Ferry Lake and Lake Ouachita by the spring of 2004.
- The City of Cabot formally has requested to increase the city's maximum limit from 7.2 million gallons a day (MGD) to 9 MGD. CAW and the City of Cabot have executed a water service contract although the city has not begun taking water.
- Salem Water Users Association has an obligation to purchase water from the City of Benton for the next seven years. The water district has a new area that is not obligated to take water from Benton and the association has requested supply from CAW through a major water line that is being installed to serve West Kanis Water Improvement District #349.
- Staff is negotiating the purchase of several properties within the Lake Maumelle Watershed and will present a recommendation to the Board at a future meeting.

Chair Wood thanked Mr. Morgan for his excellent report. He told Mr. Morgan that he believed regionalism activities were progressing so well because Mr. Morgan was doing such a good job.

Mr. Harvey told the Board that CAW has hired Black & Veatch Corporation to conduct a staffing study. He introduced Mr. Kenneth E. Martin, P.E., Senior Management Consultant with Black & Veatch. Mr. Martin told the Board that the study is progressing well and presented information on the current and anticipated future staffing needs of CAW.

Mr. Harvey briefed the Board on the following:

- CAW policy regarding use of recreational craft on Lake Maumelle
- ongoing negotiations with Little Rock Wastewater Utility (LRWU) for the purchase of the Wastewater Utility's share of the Capitol Avenue Utilities Building
- detection of high levels of copper in certain residential plumbing in Stone Links Subdivision in North Little Rock. (The copper caused discolored water at the customers' tap. Analyses by CAW revealed that copper levels in CAW waterlines to the residences are within acceptable limits.)
- Mr. Pittman and Mr. Harvey conducted a Human Relations/Team Building refresher course for employees.

- CAW policies:
  - Employee Assistance Program
  - Internal Revenue Service Code Section 125 Cafeteria Plan
  - Vision, Hearing, etc., Plan

Mr. Harvey asked Ms. Marie A. Crawford, Director of Communications, to update the Board on the Automatic Debit Payment Program Campaign and a proposed customer assistance fund. Ms. Crawford reported that CAW had surpassed 3,000 new sign-ups on the automatic payment program. She also presented information on the success of other utilities' customer assistance funds, as well as projections on the contributions that CAW may generate through coupon advertising in the monthly billing statement to customers.

Commissioner Powell stated that the needy customer program is an excellent initiative and staff should continue to look into the various options available to make the program work. Mr. Harvey told the Board that staff is reviewing various options and would present a proposal at a future meeting.

Mr. Dale Russom, P.E., Chief Operating Officer, demonstrated the Customer Service module written within the Arc Map program and the possibility of future use by the Customer Service Office-Section and by online users.

Chair Wood told the Board that he had met with Mr. Dale Wintroath, Chair of the Little Rock Sanitary Sewer Committee. He said they discussed the possibility of a future joint meeting between the water and wastewater boards. Chair Wood asked CAW staff to compile a list of activities that are shared jointly by CAW and LRWU and that would emphasize the importance of the relationship of the two utilities. Further, Chair Wood requested that staff send the list to members of both boards in time for the Sanitary Sewer Committee's meeting at the end of September.

With there being no further business, Chair Wood adjourned the meeting.

Approved by Commission  
Date: 9-04-03

RESOLUTION 2003-08

A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES

WHEREAS, the City of Little Rock and the City of North Little Rock have created Central Arkansas Water ("CAW") as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd Arkansas General Assembly, and have consolidated the ownership and operation of their municipal water utilities into CAW, and

WHEREAS, the Consolidation Agreement between the City of Little Rock and the City of North Little Rock vested the authority to establish water rates in the Board of Commissioners of Central Arkansas Water, and

WHEREAS, the Consolidation Agreement further directed that the Commission shall propose an equalizing schedule of water rates, to take effect beginning January 1, 2002, or as soon thereafter as practicable, which shall be based on a Rate Study; shall equalize water rates among similarly-situated classes of customers throughout the City of Little Rock and the City of North Little Rock over a reasonable period of time not to exceed ten (10) years; and shall provide sufficient funds for the accomplishment of the Improvement Agendas, and

WHEREAS, Carter-Burgess, Inc., CAW's rate consultant, completed the Rate Study and made recommendations on the equalizing schedule of rates to meet the requirement of the Consolidation Agreement, and

WHEREAS, the Board of Commissioners, by Resolution 2001-09, accepted the findings of the Rate Study and adopted the equalizing schedule of rates recommended in the Rate Study, and

WHEREAS, the Board of Commissioners, pursuant to the methodology to equalize rates among similarly-situated classes of customers throughout the City of Little Rock and the City of North Little Rock set forth in Section 5 of Rate Schedule No. 1 contained in Resolution 2001-09, finds that it is necessary now to establish specific rates for similarly-situated customer classes within each City and eliminate all existing declining block rates applicable to customer classes within each City, and

WHEREAS, the Board of Commissioners finds that the rates established herein are adequate to meet the revenue requirements that include the cost of operating and maintaining the system, as well as funding for needed capital improvements,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER THAT RATE SCHEDULE NO. 1 OF CENTRAL ARKANSAS WATER SHALL BE AMENDED AND RESTATED, AS FOLLOWS:

RATE SCHEDULE NO. 1  
OF  
CENTRAL ARKANSAS WATER

**Section 1.** The following schedule of rates hereby is established by Central Arkansas Water for Domestic, Commercial, Industrial, and Sprinkler customer classes inside or outside of



the corporate limits of the City of Little Rock ("LR"), Arkansas, and whose water service meters are located south of the Arkansas River.

Effective Dates

This schedule shall become effective for water billed on or after January 1, 2004, and January 1, 2005, as hereinafter set forth.

Meter Measurement

Except for public and private fire services, all water used shall be measured through meters. The size of each meter shall be determined by Central Arkansas Water commensurate with its estimate of the amount of water to be used for the premises. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.

Minimum Monthly Charge

The Minimum Monthly Charge includes payment for the first 200 cubic feet (cf) of water used.

METER SIZE (diameter)	2004 – LITTLE ROCK MINIMUM MONTHLY CHARGE		2005 – LITTLE ROCK MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE
5/8"	\$4.00	\$5.80	\$4.40	\$6.20
3/4"	\$5.17	\$7.52	\$5.68	\$8.04
1"	\$7.33	\$10.63	\$8.07	\$11.37
1 1/2"	\$12.44	\$18.04	\$13.69	\$19.29
2"	\$20.11	\$29.21	\$22.12	\$31.23
3"	\$37.22	\$54.24	\$40.94	\$57.98
4"	\$60.56	\$88.07	\$66.61	\$94.15
6"	\$119.44	\$173.46	\$131.39	\$185.43
8"	\$190.00	\$276.04	\$209.00	\$295.07
10"	\$272.22	\$395.26	\$299.44	\$422.52
12"	\$496.67	\$720.70	\$546.33	\$770.41

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet per month:

CUSTOMER CLASS	RATES		RATES	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE LR CHARGES \$ PER 100 CF	OUTSIDE LR CHARGES \$ PER 100 CF	INSIDE LR CHARGES \$ PER 100 CF	OUTSIDE LR CHARGES \$ PER 100 CF
DOMESTIC	\$0.81	\$1.27	\$0.85	\$1.27
COMMERCIAL	\$0.68	\$1.04	\$0.73	\$1.10
INDUSTRIAL	\$0.61	\$0.75	\$0.66	\$0.81
SPRINKLER	\$0.81	\$1.27	\$0.85	\$1.27

### Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer except the City of Little Rock and Master-metered Customers receiving service outside the municipal boundaries and to nonresident consumers and Master-metered Customers who purchase water within the municipal boundaries, which water then is transported to a point outside the municipal boundaries for use or resale.

### Private Fire Service

Private fire service connections for private premises shall pay the following annual fire service charges:

	RATES		RATES	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE LR	OUTSIDE LR	INSIDE LR	OUTSIDE LR
FIRE HYDRANTS	\$59.50	\$89.25	\$59.50	\$89.25
FIRE CONNECTION MINIMUM CHARGE	\$69.00	\$103.50	\$69.00	\$103.50
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$69.00	\$103.50	\$69.00	\$103.50
ADDITIONAL HEADS, EACH AT	\$0.07	\$0.11	\$ 0.07	\$0.11
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$13.50	\$20.25	\$13.50	\$20.25
1 1/2" DIAMETER, EACH	\$21.00	\$31.50	\$21.00	\$31.50
2" DIAMETER, EACH	\$34.50	\$51.75	\$34.50	\$51.75
2 1/2" DIAMETER, EACH	\$69.00	\$103.50	\$69.00	\$103.50

**Section 2.** The following schedule of rates hereby is established by Central Arkansas Water for Domestic, Commercial, Industrial, and Sprinkler customer classes inside or outside of the corporate limits of the City of North Little Rock ("NLR"), Arkansas, and whose water service meters are located north of the Arkansas River.

### Effective Dates

This schedule shall become effective for water billed on or after January 1, 2004, and January 1, 2005, as hereinafter set forth.

### Meter Measurement

Except for public and private fire services, all water used shall be measured through meters. The size of each meter shall be determined by Central Arkansas Water commensurate with its estimate of the amount of water to be used for the premises. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.

Minimum Monthly Charge

The Minimum Monthly Charge includes payment for the first 200 cubic feet of water used.

METER SIZE (diameter)	2004 – NORTH LITTLE ROCK MINIMUM MONTHLY CHARGE		2005 – NORTH LITTLE ROCK MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE
5/8"	\$4.77	\$6.39	\$4.77	\$6.39
3/4"	\$6.15	\$8.24	\$6.15	\$8.24
1"	\$8.75	\$11.72	\$8.75	\$11.72
1 1/2"	\$14.79	\$19.81	\$14.79	\$19.81
2"	\$23.98	\$32.14	\$23.98	\$32.14
3"	\$44.36	\$59.44	\$44.36	\$59.44
4"	\$72.15	\$96.68	\$72.15	\$96.68
6"	\$142.70	\$191.22	\$142.70	\$191.22
8"	\$241.36	\$323.42	\$241.36	\$323.42
10"	\$347.50	\$465.65	\$347.50	\$465.65
12"	\$632.88	\$848.06	\$632.88	\$848.06

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet per month:

	RATES		RATES	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE NLR CHARGES \$ PER 100 CF	OUTSIDE NLR CHARGES \$ PER 100 CF	INSIDE NLR CHARGES \$ PER 100 CF	OUTSIDE NLR CHARGES \$ PER 100 CF
DOMESTIC	\$1.41	\$1.92	\$1.39	\$1.90
COMMERCIAL	\$1.37	\$1.87	\$1.35	\$1.84
INDUSTRIAL	\$0.80	\$0.96	\$0.78	\$0.96
SPRINKLER	\$1.41	\$1.92	\$1.39	\$1.90

Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer except the City of North Little Rock and Master-metered Customers receiving service outside the municipal boundaries and to nonresident consumers and Master-metered Customers who purchase water within the municipal boundaries, which water then is transported to a point outside the municipal boundaries for use or resale.

Private Fire Service

Private fire service connections for private premises shall pay the following annual fire service charges:

	RATES		RATES	
	EFFECTIVE JANUARY 1, 2004		EFFECTIVE JANUARY 1, 2005	
	INSIDE NLR	OUTSIDE NLR	INSIDE NLR	OUTSIDE NLR
FIRE HYDRANTS	\$61.70	\$82.68	\$61.70	\$82.68
FIRE CONNECTION MINIMUM CHARGE	\$71.55	\$95.88	\$71.55	\$95.88
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$71.55	\$95.88	\$71.55	\$95.88
ADDITIONAL HEADS, EACH AT	\$0.07	\$0.09	\$0.07	\$0.09
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$14.00	\$18.76	\$14.00	\$18.76
1 1/2" DIAMETER, EACH	\$21.78	\$29.19	\$21.78	\$29.19
2" DIAMETER, EACH	\$35.78	\$47.95	\$35.78	\$47.95
2 1/2" DIAMETER, EACH	\$71.55	\$95.88	\$71.55	\$95.88

**Section 3.** The following schedule of rates hereby is established by Central Arkansas Water for Master-metered Customers.

Master-metered Customers

All outside Central Arkansas Water customers purchasing water through a master meter shall pay a Minimum Monthly Charge as found in Section 1 for the first 200 cubic feet of water used and an additional amount determined by the following rates for all water used in excess of 200 cubic feet per month, effective the dates stated.

	RATES	
	EFFECTIVE JANUARY 1, 2004	
	\$ PER 100 CF	
Customers taking any water from 6:01 a.m. to 9:59 p.m.	\$0.704	\$0.704
Customers taking all water from 10 p.m. to 6 a.m.	\$0.515	\$0.515

**Section 4.** The following schedule of rates hereby is established by Central Arkansas Water for Raw Water Customers.

## Raw Water Customers

All outside Central Arkansas Water customers purchasing raw water shall pay a Minimum Monthly Charge as found in Section 1 for the first 200 cubic feet of water used and an additional amount determined by the following rates for all water used in excess of 200 cubic feet per month, effective the dates stated:

	RATES	RATES
	EFFECTIVE JANUARY 1, 2004	EFFECTIVE JANUARY 1, 2005
	\$ PER 100 CF	\$ PER 100 CF
Raw Water Customer	\$0.30	\$0.30

**Section 5.** Central Arkansas Water has established the following methodology to equalize water rates among similarly-situated classes of customers within and throughout the City of Little Rock and the City of North Little Rock.

The rate equalization process is intended to gradually eliminate differences in water rates between similarly-situated classes of customers within the City of Little Rock and the City of North Little Rock during the time period of January 1, 2002, through June 30, 2011. The process shall be based upon a regional cost-of-service rate methodology and occur in two phases:

Phase I: During the time period of January 1, 2002, to December 31, 2006, CAW will increase customer water rates within the City of Little Rock toward recovery of the actual cost-of-service to such customers, and when practical, will decrease customer water rates within the City of North Little Rock toward recovery of the actual cost-of-service for such customers. Beginning January 1, 2004, CAW will establish specific rates for each customer class within the City of Little Rock and City of North Little Rock and eliminate all declining block rates applicable to customers within each City.

Phase II: During the time period of January 1, 2007, to December 31, 2010, CAW will continue to increase customer water rates within the City of Little Rock, as CAW's cost-of-service increases. Customer water rates within the City of North Little Rock will remain unchanged until such rates equal CAW's actual cost-of-service to such customers. By July 1, 2011, the water rates of similarly-situated classes of customers within the City of Little Rock and the City of North Little Rock shall be identical. Water rates applicable to all other CAW customers will reflect the actual cost-of-service for such customers but will not equal the rates applicable to CAW customers within the City of Little Rock and the City of North Little Rock.

**Section 6.** Bills for service shall be rendered and paid monthly, with the exception of payments for private fire service. Payments for private fire service shall be due in semi-annual installments in advance on the first (1st) day of January and July of each year.

**Section 7.** A penalty of ten percent (10%) shall be added to a customer bill not paid before the 20th day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected premise, or customer, may be discontinued. In such event, CAW may levy a reconnection charge.

**Section 8. Repealer.** All resolutions, ordinances, and parts of ordinances establishing rate schedules for water or water services supplied or to be supplied by the City of Little Rock through its former municipal water works and the City of North Little Rock through its former municipal water department are repealed, as of the effective date of the schedule herein established.

**Section 9. Severability.** The provisions of this resolution are separable, and if any portion, section, provision, or phrase of this resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this resolution.

**Section 10. Definitions.** The customer classes described in the Additional Monthly Charge subsection of new Sections 1 and 2 of Rate Schedule No. 1 shall be defined as follows:

"Domestic" shall mean all customers receiving water service at a single building or building unit that is owned, leased, or rented by one party, separately metered, and occupied as a residence.

"Commercial" shall mean all customers receiving water service at (i) a building containing two or more apartments or family units that are rented or leased to tenants as residences and are not separately metered; (ii) a building occupied by a retail or service business; (iii) a building owned or occupied by a public utility, a department of a municipality, or a state or federal governmental agency; or (iv) a non-domestic customer that does not fit the definition of an Industrial Class customer.

"Industrial" shall mean any commercial customer (i) who uses at least 1,500,000 cf of water per meter during the 12-month period from September 1 to August 31; or (ii) who agrees to take or pay for a minimum of 125,000 cf of water per meter per month on an annual basis. Customers who qualify for industrial water service described in (i) above shall be assigned to the Industrial Class for the calendar year beginning the following January.

"Sprinkler" shall mean all customers receiving separately-metered water service used exclusively for irrigation sprinkler systems or other outdoor purposes.

### **CERTIFICATE**

I, Tom Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held September 4, 2003.

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Secretary

## **RESOLUTION 2003-09**

### **A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE, AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water, a body politic and corporate, ("CAW") created pursuant to the Consolidated Waterworks Authorization Act, Act No. 982 of the Acts of Arkansas of 2001, as amended, and pursuant to a Consolidation Agreement entered into by and between the cities of Little Rock and North Little Rock, Arkansas dated as of March 5, 2001, as amended by a First Amendment to Consolidation Agreement dated as of June 30, 2001 (collectively, the "Agreement") is being operated, managed, and maintained by the Central Arkansas Water Board of Commissioners (the "Commission"); and

WHEREAS, the Board of Commissioners of the Little Rock Municipal Water Works (the "Little Rock Board") entered into that certain Reserve Fund Trust Agreement dated as of December 30, 1983 (the "Little Rock Agreement") in accordance with Act 542 of the Acts of Arkansas of 1983 (the "Act") to create a trust estate (the "Little Rock Principal") for the purposes set for the in the Little Rock Agreement (the "Little Rock Improvements"); and

WHEREAS, the North Little Rock Water Commission (the "North Little Rock Board") entered into that certain Reserve Fund Trust Agreement dated as of May 26, 1988 (the "North Little Rock Agreement") in accordance with Act to create a trust estate (the "North Little Rock Principal") for the purposes set for the in the North Little Rock Agreement (the "North Little Rock Improvements"); and

WHEREAS, the Little Rock Agreement, in accordance with the Act, provides that Little Rock Principal may be disbursed to the trustee for bonds issued to finance Little Rock Improvements; and

WHEREAS, the North Little Rock Agreement, in accordance with the Act, provides that North Little Rock Principal may be disbursed to the trustee for bonds issued to finance North Little Rock Improvements; and

WHEREAS, CAW issued its \$22,000,000 Water Revenue Bonds, Series 2002, dated October 1, 2002, pursuant to a Master Trust Indenture by and between CAW and Metropolitan National Bank, as Trustee, dated as of October 1, 2002 (the "Master Trust Indenture") and a Supplemental Trust Indenture by and between CAW and Metropolitan National Bank, as Trustee, dated as of October 1, 2002 (the "2002 Supplemental Trust Indenture"); and

WHEREAS, the Master Trust Indenture authorizes the creation of multiple supplemental trust indentures whereby CAW can provide for payment of the costs of additions, improvements and extensions to the water collection, holding, treatment, and distribution system currently owned, operated and managed by CAW, plus future additions thereto; and

WHEREAS, on August 6, 2003, by Resolution No. 2003-01, the Little Rock Board directed Regions Bank, as trustee under the Little Rock Agreement, to disburse the Little Rock Principal to Metropolitan National Bank, as trustee, under the Master Trust Indenture and a Supplement Trust Indenture to be adopted by the Board of Commissioners of CAW; and

WHEREAS, on August 18, 2003, by Resolution, the North Little Rock Board directed US Bank, as trustee under the North Little Rock Agreement, to disburse the North Little Rock Principal to CAW; and

WHEREAS, the Board of Commissioners of CAW needs to authorize the issuance of a new Supplemental Trust Indenture under the Master Trust Indenture which shall establish the terms and conditions by which the Little Rock Principal and the North Little Rock Principal shall be accepted, held, managed, invested and disbursed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Central Arkansas Water:

**Section 1.** Under the authority of the Constitution and laws of the State of Arkansas, to prescribe the terms and conditions upon which the Little Rock Principal and the North Little Rock Principal shall be accepted, held, managed, invested and disbursed, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Series 2003 Supplemental Trust Indenture (the "Series 2003 Supplemental Indenture") under the Master Trust Indenture, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Series 2003 Supplemental Indenture, and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Series 2003 Supplemental Indenture to be accepted, executed and acknowledged by Metropolitan National Bank, as trustee (the "Trustee"). The Series 2003 Supplemental Indenture is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 2.** The Chair, the Secretary, the Chief Executive Officer, both of the Chief Operating Officers, and the Chief Financial Officer, for and on behalf of CAW, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2003 Supplemental Indenture, the delivery of the Little Rock Principal and the North Little Rock Principal to the Trustee, the performance of all obligations of CAW under the Series 2003 Supplemental Trust Indenture, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Authorizing Resolution. The Chair, the Secretary, Chief Executive Officer, both of the Chief Operating Officers, and the Chief Financial Officer are further authorized and directed, for and on behalf of CAW, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

**Section 3.** The appointment of Metropolitan National Bank, Little Rock, Arkansas, to serve as trustee for the Series 2003 Supplemental Trust Indenture is hereby approved and ratified.



**Section 4.** This Authorizing Resolution shall be in effect from and after the date hereof.

ADOPTED: September 4, 2003

ATTEST:

\_\_\_\_\_  
Tom Rimmer, Secretary

\_\_\_\_\_  
Craig Wood, Chair

**CERTIFICATE**

I, Tom Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held September 4, 2003.

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Secretary

## **RESOLUTION 2003-10**

### A RESOLUTION TO ESTABLISH A PLAN TO CONTINUE THE PROTECTION OF THE LAKE MAUMELLE WATERSHED

Whereas on July 31, 1992 the Little Rock Municipal Water Works Board of Commissioners determined by Resolution that it was necessary to protect the Lake Maumelle watershed from pollution and that lands within the watershed should be acquired to protect the public water supply; and

Whereas on October 16, 1998 the Little Rock Municipal Water Works Board of Commissioners by Resolution set forth a plan of action to protect the Lake Maumelle watershed; and

Whereas the Board of Commissioners of Central Arkansas Water desires to continue the protection of the Lake Maumelle watershed,

Now Therefore Be It Resolved by the Board of Commissioners of Central Arkansas Water that the following Lake Maumelle Watershed Protection Plan is hereby established:

**Section 1.** For watershed protection, the lake has been divided into two zones as depicted in Exhibit 1 to the resolution. A line has been established between Sections 1 and 2, T2N, R15W and Sections 11, 12, 13, 14, 23, 24, 25, 26, 35, 36 T3N, R15W. The northern and southern end of the line stops at the respective watershed boundary. Zone 1 is defined as watershed properties east of said line. Zone 2 is defined as all watershed property west of said line.

**Section 2.** The plan to be implemented for protection of each zone of Lake Maumelle shall be as follows:

#### Zone 1

Purchase all undeveloped land within the watershed with the exception of the watershed property in Section 1, T3N, R15 W.

Acquire, if deemed appropriate, houses when offered for sale by the land owner utilizing purchase and lease back agreements, management agreements or other owner use agreements when practical.

Obtain land use agreements on all watershed property within Zone 1 upon which houses are located that are not acquired.

#### Zone 2

Acquire a 300 foot buffer on critical streams as depicted on Exhibit 1. The acquisition of the buffer may be through a number of means including outright purchase, purchase and lease back agreements, management agreements, or other owner use agreements when practical.

Strive to obtain land use agreements with the property owners on property outside the 300 foot buffer and consider purchasing such property that is offered for sale.

Acquire, if deem appropriate, houses when offered for sale by the land owner utilizing purchase and lease back agreements, management agreements or other owner use agreements when practical.

Consider land use agreements upon which houses are located that are not acquired.

**Section 3.** Utilize enforcement of Arkansas Department of Health and Department of Environmental Quality regulations to protect the watershed and reservoir.

**Section 4.** Coordinate with City and County Planning Departments, Arkansas Department of Health and Department of Environmental Quality to review their permit applications within the watershed.

**Section 5.** Utilize injunctive powers when necessary to stop pollution.

**Section 6.** The Chief Executive Officer is directed to implement the Plan and to give implementation of the Plan the highest priority so that all watershed property in Zones 1 is acquired within three years from the date of this resolution and all watershed property in Zone 2 is acquired within five years of this resolution.

**Section 7.** The Chief Executive is directed to review the Watershed Protection Plan annually and make any adjustments that are warranted.

**Section 8.** A copy of this resolution shall be sent to each property owner known to Central Arkansas Water within Zones 1 and 2 and to each real estate firm known by Central Arkansas Water which handles property in the Lake Maumelle watershed.

**Section 9.** This resolution shall take effect upon its adoption and approval.

ADOPTED: September 04, 2003

ATTEST:

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Tom Rimmer, Secretary

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Craig Wood, Chair

**CERTIFICATE**

I, Tom Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held September 4, 2003.

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Secretary

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
October 9, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, October 9, 2003, in the Third Floor Board Room of the Capitol Avenue Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Mr. Craig Wood, Chair  
Mr. Claude B. Wilson, P.E., Vice Chair  
Dr. Thomas W. Rimmer, Secretary  
Ms. M. Jane Dickey, Commissioner  
Mr. Eddie Powell, Commissioner  
Ms. Francille Turbyfill, Commissioner  
Ms. Alma Williams, Commissioner

CAW staff in attendance was:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Darrell Boggs, Assistant Director of Distribution  
Mr. Dennis Yarbrow, P.E., Supervisor of Water Sources  
Ms. Connie Horn, Management Secretary  
Ms. Kathy Graves, Attorney for CAW with Wright, Lindsey & Jennings

Also in attendance were:

Mr. Dee Brown, P.E., Manager of Electrical Engineering for Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. K.J. Longley, reporter for *The Times* of North Little Rock

Mr. Craig Wood, Chair, called to order the October 9, 2003, meeting of the Board of Commissioners.

Chair Wood called for a motion to approve the minutes to the September 4, 2003, meeting. Upon a motion duly made by Mr. Claude B. Wilson, Vice Chair, and seconded by Mr. Eddie Powell, Commissioner, the Board approved the minutes.

Mr. Jim Harvey, Chief Executive Officer, welcomed guests to the meeting.

Mr. Harvey stated that the report on regionalism activities had been moved to the first part of the Board Meeting so that Mr. Steve Morgan, Director of Regionalism & Future Water Source, could leave for a meeting of the North Central District of the Arkansas Water Works and Water Environment Association (AWW/WEA) in Batesville, Arkansas. He said Mr. Morgan later in the day would be addressing the North Central District on the goals of the Mid-Arkansas Water Alliance (MAWA).

Mr. Steve Morgan updated the Board on the following regionalism activities:

- MAWA is continuing to accept new members. Mr. Morgan agreed to provide the Board with an updated membership list.
- MAWA representatives made a recent trip to the Vicksburg, Mississippi, District of the U.S. Army Corps of Engineers to discuss the progress of the discretionary storage study of Greers Ferry Lake and Lake Ouachita. Mr. Morgan said the expected date of completion of the study is the summer of 2004.
- The renewal of a contract to supply water to the North Pulaski Waterworks Association (NPWA) will be brought before the Board by the end of the year.
- NPWA has agreed to participate in the cost of installation of the North Belt Transmission Pipeline extending across the Interstate 430-Arkansas River Bridge.

Chair Wood told the Board that the Association of Metropolitan Water Agencies Annual Meeting will be held in San Diego, California, on October 12-15, 2003. He said that there were many issues on the agenda that would be beneficial to the utility and that he is interested in attending. Upon a motion duly made and seconded, the Board approved Chair Wood's attendance at the meeting.

Chair Wood asked Mr. Gary Pittman, Chief Financial Officer, to provide the Board with an Accounts Receivable report on a quarterly basis.

Dr. Thomas W. Rimmer, Commissioner, asked about the status of the customer assistance program. (The proposed program is to assist customers in the payment of their water bills, including wastewater and garbage pickup charges.) Mr. Harvey told the Board that staff is currently working with Systems & Software, Inc. (S&S), CAW's billing software provider, on various options in implementing a customer assistance program.

Mr. Harvey asked Ms. Marie A. Crawford, Director of Communications, to speak to the Board on another possible option in funding a customer assistance program. Ms. Crawford told the Board that staff is pursuing the possibility of inserting advertising coupons in the monthly bills as a way to provide funding for the program. Ms. Crawford said staff would need to work closely with legal counsel on certain provisions of the formal request for proposals for advertising agencies.

Mr. Harvey also said that he has been in contact with Little Rock Wastewater Utility (LRWU) regarding implementation of the customer assistance program. He said LRWU has indicated a commitment to trying to work with CAW on this program.

Commissioner Powell inquired about the status of the Brushy Island Water Users Association's system upgrade. Mr. Harvey responded that Brushy Island is waiting for loan approval from the Arkansas Soil & Water Conservation Commission in order to fund the needed upgrades.

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, updated the Board on the ongoing project to install a new intake at Lake Maumelle. He told board members that because of soil conditions encountered in the placement of supporting piers, the new piers required additional length and restraint construction.

Mr. Dennis Yarbrow, P.E., Supervisor of Water Sources, told the Board that because of the unexpected soil conditions, construction of the intake has experienced a six-month delay but still falls within 45 days of the original completion date. He further stated that the contractor worked with CAW to lower the additional costs caused by the delay.

Upon a motion duly made and seconded, the Board approved the following contract:

- i. Change orders totaling \$743,044 for the existing contract with Robinson Construction for additional pier and restraint construction required for the new Lake Maumelle Pumping Station Intake due to soil conditions.

Mr. Pittman presented to the Board a report on the following:

- the status of the water rate resolution (The resolution has been presented to both the Little Rock City Board and North Little Rock City Council for their review.)
- an overview of CAW's Statement of Income and Expense
- various fund balances (In response to an inquiry from the Board, Mr. Pittman said staff would send an update to the System Development Charges Task Group that met in 2002. He said the report would include information on revenue collected from the charges since its inception in September of 2002.)
- a refund of \$75,000 received from Kemper Insurance for the remainder of the premium from the cancelled commercial package business insurance policy (In June 2003, the Board approved cancellation of the property, automobile liability, etc., policy with Kemper Insurance due to the agency's poor credit rating.) Mr. Pittman stated that the receipt of the refund was due to the tenacity of Mr. Gerald Boon, C.P.A., Assistant Director of Finance, and a letter from CAW legal counsel.
- the 2004 Financial Plan staff will present at the Board's December 2003 meeting
- the Bill Matrix credit card service through which CAW customers may pay their utility bills

Mr. Darrell Boggs, Assistant Director of Distribution, presented to the Board a report on CAW's meter change-out program. He said staff had done extensive research on differing opinions of the recommended age to change out water meters to avoid meter failure. He said staff then conducted a three-month study on 3700 meters to test the age at which meter failure will occur. He explained the cost difference between a 10-year and 16-year meter change-out program and compared the cost of the program to lost revenue. He said the comparison prompted staff to recommend that CAW maintain a 16-year change-out program. He also told the Board that staff plans to conduct a study on the failure of meters relative to consumption rather than the age of the meter.

Ms. Alma Williams, Commissioner, and Commissioner Powell, thanked Mr. Boggs for his informative report.

Mr. Harvey briefed the Board on the following:

- CAW has developed a program to pay Meter Readers who discover and report unbilled meters. LRWU has agreed to pay half the cost of this program.



- In 2004, there will be no increase in CAW's cost for health care premiums for employees and no change in the level of benefits from the previous year.
- LRWU had planned to move its operations out of the Capitol Avenue Utilities Building, but the plans are on hold until a bond issue by the City of Little Rock has been decided and a location for a new wastewater treatment facility has been determined.
- CAW staff has asked counsel to determine the legality of using electronic signatures for the signing of CAW minutes and resolutions.

With there being no further business, Chair Wood adjourned the meeting.

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
November 12, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 12 p.m. Wednesday, November 12, 2003, in the Third Floor Board Room of the Capitol Avenue Utilities Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present were:

Mr. Craig Wood, Chair  
Mr. Claude B. Wilson, P.E., Vice Chair  
Dr. Thomas W. Rimmer, Secretary  
Ms. M. Jane Dickey, Commissioner  
Mr. Eddie Powell, Commissioner  
Ms. Francille Turbyfill, Commissioner  
Ms. Alma Williams, Commissioner

CAW staff in attendance:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Dale Kimbrow, Planning Manager  
Ms. Connie Horn, Management Secretary  
Ms. Kathy Graves, Attorney for CAW with Wright, Lindsey & Jennings

Also in attendance:

Mr. Reggie A. Corbitt, P.E., Chief Executive Officer of Little Rock Wastewater Utility  
Mr. Dee Brown, P.E., Manager of Electrical Engineering for Garver Engineers  
Mr. Jack Brashear, P.E., Senior Project Engineer for Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor with Heathcott Associates  
Ms. Hilary Hilliard, reporter for the *Arkansas Democrat Gazette*  
Ms. K.J. Longley, reporter for *The Times* of North Little Rock

Mr. Craig Wood, Chair, called to order the November 12, 2003, meeting of the Board of Commissioners.

Following a brief discussion about a proposed revision to the section on System Development Charges in the October 9, 2003, minutes, Chair Wood called for a motion to approve the minutes. Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. M. Jane Dickey, Commissioner, the Board approved the minutes.

Mr. Jim Harvey, Chief Executive Officer, welcomed guests to the meeting.

Upon a motion duly made by Ms. Alma Williams, Commissioner, and seconded by Mr. Claude B. Wilson, Vice Chair, the Board approved the following contracts:

- i. a contract with ETC Construction in the amount of \$474,625 to replace 11 aged fire hydrants and 2-inch-diameter galvanized water lines with approximately 11,600 linear feet of 2-inch-diameter polyvinyl chloride (PVC) pipe in various locations within the City of Little Rock
- ii. a contract with Building & Utility Contractors, Inc., in the amount of \$1,893,307 for the installation of approximately 10,200 linear feet of a 36-inch-diameter ductile iron water transmission main in the Intermediate Pressure System of Little Rock

Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer, addressed the Board regarding the latest Real Estate Contract (Offer and Acceptance) draft from Little Rock Wastewater Utility (LRWU) for the Capitol Avenue Utilities Building and an adjacent parking lot. Mr. Kirsch explained that LRWU's portions of the properties would be purchased through the cessation of monthly billing charges paid by LRWU to CAW. He said the cessation of billing fees would last until the appraised purchase price of \$971,250 had been met. He said the anticipated time period is two years.

Mr. Reggie A. Corbitt, P.E., Chief Executive Officer of LRWU, told the Board that the Wastewater Utility has reached a point that the utility needs more space for employees, operations programming, and storage. He said it is the intention of LRWU to build a new office facility at the Clearwater Operations/Maintenance Complex, which CAW and LRWU jointly share. He stated that in January LRWU would present to the Little Rock Board of Directors a resolution authorizing the utility to proceed with its plans.

Mr. Kirsch told the Board that, at this time, CAW staff is asking only for approval of the concept of purchasing LRWU's portion of the properties. He explained that once LRWU has approval from the City of Little Rock and the two utilities have worked out the final details of the contract, CAW staff would return to the Board with a recommendation.

Chair Wood questioned when cessation of the billing fees would start. Mr. Kirsch responded that no transactions would take place until the Water Commission approves the final contract with LRWU.

Chair Wood stated that CAW, and previously Little Rock Municipal Water Works (LRMWW), has throughout the years had many joint operations with LRWU. He said the partnerships had been unique and successful. He further stated that the relationship with LRWU is a partnership that CAW would like to continue.

Mr. Corbitt stated that he agreed with Chair Wood's statement and did not want anything to jeopardize the unique relationship between LRWU and CAW.

Mr. Harvey stated that the type of cooperation that exists between LRWU and CAW could be extended to include the public works departments of the cities of Little Rock and North Little Rock, as well as the other utilities that work in the rights-of-way of the streets.

Upon a motion duly made by Ms. Francille Turbyfill, Commissioner, and seconded by Commissioner Williams, the Board approved the concept of the purchase of LRWU's portion of the Capitol Avenue Utilities Building and the adjacent parking lot.

Mr. Jim Harvey, CEO, told the Board that staff would draft a letter to the cities in recommendation of enhanced coordination of construction projects within street rights-of-way.

Mr. Steve Morgan updated the Board on the following regionalism activities:

- Further review of the contract with the North Pulaski Waterworks Association (NPWA) for the sale of water revealed that the contract does not expire this year as was reported at the October Board meeting. (The contract expires in 2024.)
- Negotiations continue on a water supply contract with the Salem Water Users Association. The association currently is awaiting a quote from the CAW Engineering Department on the cost of fees to tie into the water main that would serve the area.
- Negotiations also continue on a water supply contract with Woodson-Hensely Water Company.
- CAW staff is meeting with Jacksonville Water Works to negotiate a new contract due to changes resulting from the merger.
- The Mid-Arkansas Water Alliance (MAWA) is considering seeking designation as an allocation agency. In getting such a designation, MAWA would gain the allocations from the U.S. Army Corps of Engineers and distribute water rights according to previously published studies.

Mr. Harvey briefed the Board on the following:

- Since 1989, a private vendor has performed fleet maintenance for CAW and LRWU. The vendor utilized the fleet maintenance facilities at the Clearwater Complex. Mr. Dale Russom, P.E., Chief Operating Officer, indicated that over the past year the quality of service had deteriorated significantly. He said LRWU had asked CAW to jointly operate the fleet maintenance in-house and not renew the contract with the current vendor. Mr. Russom indicated that by using existing CAW fleet maintenance mechanics, the utility could save money. After due consideration, the Water Commission approved the joint in-house operation with LRWU.
- CAW's requirement of an annual inspection of backflow prevention valves on commercial services
- The website created by CAW employees with the assistance of Heathcott Associates went on-line on the Internet on November 2. It includes the electronic payment option for customers.
- A compressed work schedule (CWS) currently is in effect for some departments within CAW. Under the CWS, employees work 7:30 a.m. – 5 p.m. Monday through Friday and are off every other Friday. The compressed work schedule allows for longer office hours, which benefit CAW customers. Not all departments were able to utilize the compressed work schedule due to the nature of the department's operations.

Ms. Marie A. Crawford, Director of Communications, distributed to the Board an expenditures report for the Peak Demand Management Program that took place this past summer. Ms. Crawford indicated that the program had a positive effect on peak-hour demands in West Little Rock.

Chair Wood commented that the positive results from the Peak Demand Management Program could delay the need for costly system expansions in the areas experiencing high peak-hour demands.

With there being no further business, Chair Wood adjourned the meeting.

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
December 11, 2003

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, December 11, 2003, in the Third Floor Board Room of the Capitol Avenue Utilities Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Craig Wood, Chair  
Dr. Thomas W. Rimmer, Secretary  
Ms. M. Jane Dickey, Commissioner  
Mr. Eddie Powell, Commissioner  
Ms. Francille Turbyfill, Commissioner

Present by telephone:

Ms. Alma Williams, Commissioner

CAW staff in attendance:

Mr. Jim Harvey, Chief Executive Officer  
Mr. Bruno Kirsch, Jr., P.E., Chief Operating Officer  
Mr. Dale Russom, P.E., Chief Operating Officer  
Mr. Steve Morgan, Director of Regionalism & Future Water Source  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie A. Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Blake Weindorf, P.E., Engineer for CAW  
Mr. Gerald Boon, C.P.A., Assistant Director of Finance  
Ms. Connie Horn, Management Secretary  
Ms. Kathy Graves, Attorney for CAW with Wright, Lindsey & Jennings

Also in attendance:

Mr. Hal Kemp, Attorney  
Mr. Charlie Hight, Alderman, City of North Little Rock  
Mr. Wyck Nisbet, Jr., attorney with Friday, Eldredge & Clark, L.L.P.  
Mr. Jack Brashear, P.E., Senior Project Engineer for Garver Engineers  
Mr. Kirby Rowland, Vice President, Garver Engineers  
Mr. Gary Heathcott, President of Heathcott Associates  
Ms. Jill Joslin, Vice President/Account Supervisor with Heathcott Associates  
Ms. K.J. Longley, reporter for *The Times* of North Little Rock

Mr. Craig Wood, Chair, called to order the December 11, 2003, meeting of the Board of Commissioners.

At the request of Chair Wood, Ms. Connie Horn, Management Secretary, told the Board that the refreshments for the Board meeting had been provided by Ms. Joan Barron, Customer Service Representative for CAW. Ms. Barron was invited to the Board meeting and the Commissioners thanked Ms. Barron for the delicious treats.

Mr. Dale Russom, Chief Operating Officer, introduced Mr. Blake Weindorf, engineer for CAW, to the Board. He told them that Mr. Weindorf, who had joined CAW this year, recently passed the professional engineer exam on his first attempt. Mr. Russom congratulated Mr. Weindorf on his achievement.

Chair Wood called for a motion to approve the minutes. Upon a motion duly made, the Board approved the minutes.

Mr. Jim Harvey, Chief Executive Officer, welcomed guests to the meeting. He introduced Mr. Charlie Hight, Ward 4 Alderman for the City of North Little Rock. Mr. Harvey told the Board that Mr. Hight was appointed by Mayor Patrick H. Hays as a liaison to the CAW Board of Directors.

Mr. Harvey introduced Mr. Wyck Nisbet, Jr., attorney with Friday, Eldredge & Clark, L.L.P. Mr. Nisbet addressed the Board on recommended technical corrections to the Employee Savings Plan. Mr. Nisbet told the board that the changes making participation in the plan mandatory are needed in order for the plan to conform to federal regulations. Mr. Nisbet indicated there would also be some corrections and adjustments to the plan next year. Upon a motion duly made, the Board approved a resolution to make technical corrections to the Employee Savings Plan.

Upon a motion duly made, the Board approved the following:

- i. a contract with Utility Service Company, who submitted a low bid of \$131,895 for the retro-fitting of Storage Tank #2 (Baptist Medical Center tower) to allow for future installation of telecommunications antennae
- ii. an annual contract with Harris Construction Management, who submitted a low bid of \$558,788 for the repair of pavement cuts resulting from repairs to water services and mains
- iii. contracts for the purchase of annual water treatment chemicals

Mr. Gary Pittman, Chief Financial Officer, reviewed the 2004 Financial Plan that had previously been sent to the Board for their review.

Chair Wood thanked Mr. Pittman for the effort involved in preparing the annual financial plan. He also commended staff for performing such a thorough preparation of the financial plan.

Upon a motion duly made, the Board approved the 2004 Financial Plan as presented.

Mr. Harvey presented to the Board a recommended annual pay plan adjustment of 3%. Mr. Harvey told the Board that an employee's wage increase would be based on their work performance. Upon a motion duly made, the Board approved a wage increase as recommended by Mr. Harvey.

Mr. Gary Heathcott, President of Heathcott Associates and Ms. Jill Joslin, Vice President/Account Supervisor with Heathcott Associates presented a review of the 2003 marketing program.

Ms. Marie Crawford, Director of Communications, addressed the Board on the Marketing Program for 2004.

In response to a question by Commissioner Powell, Mr. Heathcott said that a major project in 2004 will be the production of a video describing the distribution of water “from the source to the tap”.

Mr. Steve Morgan updated the Board on the following regionalism activities:

- Negotiations are continuing for a water supply contract continue with the Salem Water Users Association.
- Negotiations are also continuing for a water supply contract with Woodson-Hensley Water Company also continue.
- A draft contract with Jacksonville Water Works has been forwarded to CAW counsel for their review.
- Members of Mid-Arkansas Water Alliance (MAWA) continue to meet with officials from various city governments, water utilities, and public organizations to address questions and concerns they have regarding the purpose of MAWA.
- An appraiser is currently determining market value of various properties within the Maumelle watershed. The cost to purchase properties deemed vital in maintaining the water quality of Lake Maumelle is estimated to be between \$5 million and \$10 million.

Mr. Harvey briefed the Board on the following:

- Mr. Hal Kemp, attorney and Mr. Rick Ferguson, property owner, have discussed with CAW staff a possible upscale development of property located within the Maumelle watershed.

Mr. Harvey invited Mr. Kemp to address the Board. Mr. Kemp said his client is interested in working with CAW to develop property within the watershed. He stated his client's project will provide CAW with new customers and that Mr. Ferguson is willing to work with CAW on developing restrictions within the development that would protect the water quality of Lake Maumelle.

- Requests for Proposal for a salary survey were sent out and staff is currently in negotiations with the selected company. We have also received a salary survey conducted by the American Water Works Association (AWWA).

The Board met in executive session.

Upon reconvening, Chair Wood said the Board had approved an offer from Mr. Harvey to extend his employment from January 1, 2005 until April 1, 2005 and then use PTO (paid time off) to extend his retirement date to July 1, 2005, serving CAW as a consultant from April until July.

Chair Wood thanked Mr. Harvey for his generous offer and said the Board appreciated this gesture as it is in the best interest of the utility.

With there being no further business, Chair Wood adjourned the meeting.